

**HUMAN SERVICES GROUP  
SUMMARY**

	<u>Page #</u>	<u>Approp/ Requirements</u>	<u>Revenue/ Financing Sources</u>	<u>Local Cost</u>
<b><u>GENERAL FUND</u></b>				
AGING AND ADULT SERVICES:				
AGING PROGRAMS	170	8,147,202	8,147,202	-
BEHAVIORAL HEALTH:				
BEHAVIORAL HEALTH	185	121,296,698	119,453,945	1,842,753
OFFICE OF ALCOHOL AND DRUG ABUSE	190	20,063,339	19,913,881	149,458
CHILD SUPPORT SERVICES	194	39,889,326	39,889,326	-
HEALTH CARE COSTS	198	135,628,083	120,628,083	15,000,000
HUMAN SERVICES SYSTEM:				
ADMINISTRATIVE CLAIM	202	297,664,713	286,197,963	11,466,750
SUBSISTENCE PAYMENTS	212	434,096,671	412,619,746	21,476,925
AID TO INDIGENTS	231	1,275,123	330,986	944,137
PUBLIC HEALTH:				
PUBLIC HEALTH	240	73,611,885	72,967,163	644,722
CALIFORNIA CHILDREN'S SERVICES	245	10,723,433	9,185,392	1,538,041
INDIGENT AMBULANCE	249	472,501	-	472,501
VETERANS AFFAIRS	252	1,130,068	257,018	873,050
TOTAL GENERAL FUND		<u>1,143,999,042</u>	<u>1,089,590,705</u>	<u>54,408,337</u>
<b><u>SPECIAL REVENUE FUNDS</u></b>				
		<u>Approp/ Requirements</u>	<u>Revenue</u>	<u>Fund Balance</u>
AGING AND ADULT SERVICES:				
AGING PROGRAMS	174	-	-	-
ARROWHEAD REGIONAL MEDICAL CENTER:				
TELEMEDICINE FEDERAL GRANT FUND	182	-	-	-
TOBACCO TAX	183	4,390,510	3,648,209	742,301
BEHAVIORAL HEALTH :				
SPECIAL PATIENT ACCOUNT	193	16,600	3,800	12,800
HUMAN SERVICES SYSTEM:				
PROPOSITION 36	233	8,123,826	5,852,721	2,271,105
AB212	235	612,000	558,988	53,012
PRESCHOOL SERVICES	237	37,487,002	37,861,261	(374,259)
PUBLIC HEALTH:				
CAJON PASS	250	112,359	81,800	30,559
TOTAL SPECIAL REVENUE FUNDS		<u>50,742,297</u>	<u>48,006,779</u>	<u>2,735,518</u>
<b><u>ENTERPRISE FUND</u></b>				
		<u>Operating Expense</u>	<u>Revenue/ Financing Sources</u>	<u>Revenue Over (Under) Exp</u>
ARROWHEAD REGIONAL MEDICAL CENTER	176	274,094,127	263,631,781	(10,462,346)

<b><u>OTHER AGENCY FUND</u></b>	<u>Page #</u>	<u>Approp</u>	<u>Revenue</u>	<u>Fund Balance</u>
IN-HOME SUPPORTIVE SERVICES	376	8,091,439	6,738,893	1,352,546

<b><u>REALIGNMENT</u></b>	255
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## OVERVIEW OF BUDGET

**DEPARTMENT: AGING AND ADULT SERVICES (DAAS)**  
**DIRECTOR: MARY SAWICKI**  
**BUDGET UNIT: AGING PROGRAMS (AAF OOA)**

### I. GENERAL PROGRAM STATEMENT

The Aging Programs are predominately funded by several federal and state sources and are budgeted in the newly established budget unit AAF OOA reported in organization codes (SBB, SBG, SYA, and SYW) as follows:

- Title III – Special programs for aging, which provide nutrition, supportive, preventative health, and legal services (*Budget Unit AAF OOA SBG*)
- Title IIIE – Special programs for aging families in a caregiver relationship, which provide case management, transportation, assisted transportation, counseling, caregiver training, respite adult care, respite skilled nursing, home safety devices, assistance devices, and minor home modification services (*Budget Unit AAF OOA SBG*)
- Title VII – Long-term care ombudsman and elder abuse prevention (*Budget Unit AAF OOA SBG*)
- Title V – Senior Employment Program, which provides part-time employment services for seniors age 60 and over. (*Budget Unit AAF OOA SBB*)
- Title XIX – Multi-Purpose Senior Services Program (MSSP) which provides a variety of services to keep seniors safely in their home environment and out of nursing homes (*Budget Unit AAF OOA SYA*)
- CDBG – Supplements the nutrition program (*Budget Unit AAF OOA SBG*)
- Community-Based Services Programs which provides surplus food to the elderly, Alzheimer day care services, insurance counseling, senior companion services, and in-home services to keep persons in danger of institutionalization safely in their homes (*Budget Unit AAF OOA SYW*)
- USDA – Supplements the cost of the nutrition program (*Budget Unit AAF OOA SBG*)
- Medi-Cal Administrative Activities (MAA) - Administrative activities necessary for the proper and efficient administration of the Medi-Cal program. (*Budget Unit AAF OOA SBG*)
- Targeted Case Management (TCM) - Case management services that assist Medi-Cal eligible individuals within a specific target group to gain access to needed medical, social, educational and other services. (*Budget Unit AAF OOA SYW*)

### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	-	8,874,173	8,878,761	8,147,202
Total Revenue	-	7,900,036	8,316,651	8,147,202
Local Cost	-	974,137	562,110	-
Budgeted Staffing		111.9		101.1
<b><u>Workload Indicators</u></b>				
Senior Employment Enrollees	-	127	117	85
Meals Served	-	1,182,749	1,006,153	1,050,206
Sr Home & Health Care clients	-	345	316	314
Community Based Svcs clients	-	1,300	1,625	1,240
Information & Assistance contacts	-	41,958	44,995	50,194

In the 2002-03 final budget book, the budgeted workload indicator for 2002-03 for the Senior Employment Enrollees was incorrectly recorded as 197. The corrected number is 127 as indicated in the budget and workload history.

In 2002-03 one-time local cost was required to supplement traditional funding due to stagnation of funding streams and to fund nutrition contracts at current levels. During the year, the department has realigned staff and made other necessary adjustments to reduce services and supplies in order to stay within existing funding allocations in 2003-04.

## **AGING AND ADULT SERVICES**

Due to salary savings resulting from attrition and one-time-only funding for the Family Caregiver Program, DAAS used \$559,847 of the one-time local cost for expenditures. The remaining local cost was used to repay loans held by the discontinued special revenue funds.

### **III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)**

#### **STAFFING CHANGES**

Staffing decreased by a net 10.8 budgeted staffing in 2003-04. Changes consist of the following:

Added 3.0 budgeted staffing by transferring staff from the DPA Administrative Claim budget to the Aging budget. These positions split time between Aging and Adult services. Transferring them to the Aging budget enables the department to save administrative overhead costs (1.0 Administrative Supervisor II and 2.0 Clerk IIs).

Added 1.0 budgeted staffing for the Title III/VII programs to assist with increase workload for Family Caregiver program (Senior Information and Referral Area Representative).

Added 0.5 budgeted staffing to assist with increased workload in the Ombudsman program (Ombudsman Contractor Field Coordinator).

Deleted 12.0 budgeted staffing from the Title III/VII Programs. Four became vacant through attrition and were not replaced. (2.0 Accountant Is, 1.0 Accounting Technician, and 1.0 Fiscal Clerk II). One Senior Service Counselor was deleted because it was incorrectly budgeted in 2002-03. Three vacant Social Service Aides that were not needed as originally anticipated were deleted. Two HSS Program Specialist positions were transferred to the DPA Administrative Claim budget. Due to reduced funding in 2003-04, it will also be necessary to eliminate 2.0 additional budgeted staffing (1.0 Supervising Fiscal Clerk, 1.0 Staff Analyst I).

Deleted 1.0 vacant Clerk III from the Title XIX program that was not needed as originally anticipated.

Deleted 51.6 budgeted vacant staffing that were not filled in Title V Program due to lower contract requirements (33.75 Contract National on Aging positions, 14.25 contract CDA positions, 1.75 Contract Senior Program Representative and 1.8 Contract private sector positions).

Deleted 0.2 budgeted Social Services Practitioner in the Title XIX program due to decrease in funding.

The vacancy factor of 49.5 has been eliminated.

#### **PROGRAM CHANGES**

Due to fiscal constraints at the state level, the California Department of Aging eliminated the Senior Companion program and reduced funding for the Multi Service Senior, Health Insurance Counseling and Senior Employment programs in 2003-04, for a total reduction in funding of \$288,925. The Senior Companion program is a contracted service provided by the City of San Bernardino and will be cancelled in 2003-04. The Health Insurance Counseling is a contracted service provided by Inland Agency and will be reduced in 2003-04. Services and supplies costs are reduced to accommodate the reduction in the Multi Service Senior and Senior Employment Programs.

Two new funding sources will add to the department's revenues in 2003-04, Targeted Case Management (TCM) and Medi-Cal Administrative Activities (MAA). TCM and MAA revenues are estimated at \$123,500 and \$315,000 respectively. TCM services are case management services that assist Medi-Cal eligible individuals within a specific target group gain access to needed medical, social, educational and other services. MAA activities are administrative activities necessary for the proper and efficient administration of the Medi-Cal program.

An overall decrease in expenditures is anticipated due to reduced budgeted staffing and by reductions made in services and supplies.

## AGING AND ADULT SERVICES

GROUP: Human Services System  
DEPARTMENT: Aging and Adult Services  
FUND: General  
AAF OOA

FUNCTION: Public Assistance  
ACTIVITY: Administration

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b>Appropriation</b>					
Salaries and Benefits	3,276,183	3,787,658	3,598,251	90,588	3,688,839
Services and Supplies	6,061,015	5,399,509	5,246,612	(137,129)	5,109,483
Central Computer	44,797	44,797	84,286	(44,796)	39,490
Equipment	5,124	-	-	-	-
Other Charges	24,747	-	-	40,000	40,000
Transfers	689,224	519,843	459,323	(53,028)	406,295
Total Exp Authority	10,101,090	9,751,807	9,388,472	(104,365)	9,284,107
Reimbursements	(1,222,329)	(877,634)	(1,063,677)	(73,228)	(1,136,905)
Total Appropriation	8,878,761	8,874,173	8,324,795	(177,593)	8,147,202
<b>Revenue</b>					
Use of Money & Prop	2,954	25,000	25,000	(25,000)	-
State, Fed or Gov't Aid	7,662,077	7,845,036	8,269,795	(437,593)	7,832,202
Other Revenue	4,835	30,000	30,000	285,000	315,000
Other Financing Sources	646,785	-	-	-	-
Total Revenue	8,316,651	7,900,036	8,324,795	(177,593)	8,147,202
Local Cost	562,110	974,137	-	-	-
Budgeted Staffing		111.9	101.1	-	101.1

### Total Changes Included in Board Approved Base Budget

Salaries and Benefits	104,112	MOU.
	142,664	Retirement.
	11,980	Risk Management Workers' Comp.
	(448,163)	Decrease in budgeted staffing through attrition and staff reduction.
	(189,407)	
Services and Supplies	2,535	Risk Management Liabilities.
	22,000	Increase inservices for Targeted Case Management Program. Board agenda item dated April 22, 2003.
	(63,105)	Transfer to newly created budget unit for legislation (AAA LEG).
	(114,327)	30% Cost Reduction Plan - reduce management audit expenditures.
	(152,897)	
Central Computer	39,489	
Transfers	479	Incremental Change in EHAP.
	101,500	Increase for Targeted Case Management Program. Board item dated April 22, 2003.
	(100,241)	Decrease for DPA salaries.
	(62,258)	Decrease for Public Health nurse salaries.
	(60,520)	
Reimbursements	(38,043)	Increase for Case Manager in MSSP working part time in In-Home Supportive Service Program.
	(148,000)	Increase for supplemental funding for Nutrition Program.
	(186,043)	
<b>Revenue</b>		
State, Fed or Gov't Aid	424,759	Two new funding sources from tCM and MAA.
Total Appropriation Change	(549,378)	
Total Revenue Change	424,759	
Total Local Cost Change	(974,137)	
Total 2002-03 Appropriation	8,874,173	
Total 2002-03 Revenue	7,900,036	
Total 2002-03 Local Cost	974,137	
Total Base Budget Appropriation	8,324,795	
Total Base Budget Revenue	8,324,795	
Total Base Budget Local Cost	-	

## AGING AND ADULT SERVICES

### Board Approved Changes to Base budget

Salaries and Benefits	30,569	Salary transfers between the Aging programs will be processed through payroll reimbursements. In 2002-03 this was processed as transfers.
	60,019	Per diem ordinance increase.
	<u>90,588</u>	
Services and Supplies	(26,644)	Decrease in advertising expenditures.
	(19,500)	Decrease in non-inventoriable and inventoriable equipment purchase expenditures.
	(17,148)	Decrease in communication expenditures.
	(73,837)	Over budgeted 2002-03 professional services expenditures due to the actual awarding of contracts for Family Caregiver Program.
	<u>(137,129)</u>	
Central Computer	<u>(44,796)</u>	
Other Charges	40,000	Emergency assistance for Family Caregiver Program.
Transfers	(30,569)	Salary transfers between the aging programs will be processed in payroll reimbursements.
	(22,459)	Decrease due to the transfer of 3.0 Adult Service staff to the Aging budget in 2003-04.
	<u>(53,028)</u>	
Reimbursements	32,635	Decrease in transfers in from Adult Service budget.
	(60,481)	Increase county match for the Family Caregiver Program for the full year funding of program.
	(45,382)	Increase due to the transfer of 3.0 Adult Service staff to the Aging budget in 2003-04.
	<u>(73,228)</u>	
Total Appropriation	<u>(177,593)</u>	
<b>Revenue</b>		
State, Fed or Gov't Aid	<u>(25,000)</u>	Decrease in interest earned.
Use of Money & Property	(126,861)	Decrease in state funding for Senior Companion & Health Insurance Counseling Program and administrative costs associated with programs.
	(11,185)	Decrease in federal and state funding for Senior Employment 502E Program
	(187,449)	Decrease in federal funding for the Multi Service Senior Program.
	(112,098)	Decrease due to over estimating anticipated revenue for 2002-03 in the Senior Employment and Community Base Programs.
	<u>(437,593)</u>	
Other Revenue	<u>285,000</u>	Increase in federal funding for Medical Administrative activities for 2002-03 and 2003-04.
Total Revenue	<u>(177,593)</u>	
Local Cost	<u>-</u>	

## OVERVIEW OF BUDGET

**DEPARTMENT: AGING AND ADULT SERVICES**  
**DIRECTOR: MARY SAWICKI**  
**BUDGET UNIT: AGING PROGRAMS (SBB OOA, SBG OOA, SYA OOA, SYW OOA)**

### I. GENERAL PROGRAM STATEMENT

The aging programs are predominately funded by several federal and state sources and are budgeted in budget units SBB, SBG, SYA, and SYW as follows:

- Title III – Special programs for aging, which provide nutrition, supportive, preventative health, and legal services (*Budget Unit SBG*)
- Title VII – Long-term care ombudsman and elder abuse prevention (*Budget Unit SBG*)
- Title V – Senior Employment Program, which provides part-time employment services for seniors. (*Budget Unit SBB*)
- Title XIX – Multi-Purpose Senior Services Program (MSSP) which provides a variety of services to keep seniors safely in their home environment and out of nursing homes (*Budget Unit SYA*)
- CDBG – Supplements the nutrition program (*Budget Unit SBG*)
- Community-Based Services Programs which provides surplus food to the elderly, Alzheimer day care services, insurance counseling, senior companion services, and in-home services to keep persons in danger of institutionalization safely in their homes (*Budget Unit SYW*)
- USDA – Supplements the cost of the nutrition program (*Budget Unit SBG*)

### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	7,580,716	160,518	(50)	-
Total Revenue	7,617,717	-	(6,379)	-
Fund Balance		160,518		-
Budgeted Staffing		-		-
<b><u>Workload Indicators</u></b>				
Senior Employment Enrollees	163	-	-	-
Meals Served	1,137,831	-	-	-
Sr Home & Health Care clients	380	-	-	-
Community Based Svcs clients	1,284	-	-	-
Information & Assistance contacts	34,513	-	-	-

### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

#### **STAFFING CHANGES**

None.

#### **PROGRAM CHANGES**

For 2002-03, the Board of Supervisors approved the establishment of specialized general fund AAF OOA for the Aging programs. On June 30, 2002, the combined fund balances in special revenue funds SBB, SBG, SYA, and SYW totaled \$160,518 and was transferred into the new AAF OOA general fund budget unit in 2002-03. Additionally, activity erroneously occurred in these funds in 2002-03. The transactions have subsequently been moved to the new fund. These funds are now closed and deactivated. The fund balances will be removed when the Auditor-Controller performs the annual closing process in the spring of 2004.

The movement of the Aging programs from special revenue funds to the general fund has eliminated the consistent cash flow problems experienced as a result of the state reimbursement process. Due to long delays in state reimbursement, service providers often wait for payment from the department. Additionally, when the state budget is not approved on schedule, funds may not be available to the department for several months. The department is current in its payments to service providers and ensuring expenditures are staying within allocated funds provided.

## AGING AND ADULT SERVICES

GROUP: Human Services System  
DEPARTMENT: Aging and Adult Services  
FUND: Special Revenue Summary  
SBB OOA, SBG OOA, SYA OOA, SYW OOA

FUNCTION: Public Assistance  
ACTIVITY: Administration

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b><u>Appropriation</u></b>					
Services and Supplies	(50)	-	-	-	-
Transfers	-	160,518	160,518	(160,518)	-
Total Appropriation	(50)	160,518	160,518	(160,518)	-
<b><u>Revenue</u></b>					
State, Fed or Gov't Aid	(6,379)	-	-	-	-
Total Revenue	(6,379)	-	-	-	-
Fund Balance		160,518	160,518	(160,518)	-

		<b>Board Approved Changes to Base Budget</b>
Transfers	(160,518)	Transfers out accumulated fund balance to AAF fund.
Total Appropriation	(160,518)	
Total Revenue	-	
Fund Balance	(160,518)	

## OVERVIEW OF BUDGET

**DEPARTMENT: ARROWHEAD REGIONAL MEDICAL CENTER**  
**DIRECTOR: MARK H. UFFER**

	2003-04				
	Operating Exp/ Appropriation	Revenue	Fund Balance	Rev Over/ (Under) Exp	Staffing
Arrowhead Regional Medical Center	274,094,127	263,631,781		(10,462,346)	2,299.9
Telemedicine Federal Grant Fund	-	-	-		-
Tobacco Tax Funds	4,390,510	3,648,209	742,301	-	-
Total	278,484,637	267,279,990	742,301	(10,462,346)	2,299.9

**BUDGET UNIT: ARROWHEAD REGIONAL MEDICAL CENTER (EAD MCR)**

### I. GENERAL PROGRAM STATEMENT

The Arrowhead Regional Medical Center (ARMC) provides inpatient and outpatient medical care to county residents in accordance with state law. The medical center operates through an enterprise fund. Under this system, revenues earned from operations are retained to fund the program.

Revenue sources for ARMC are comprised of the following: current services, Disproportionate Share Hospital (DSH) Programs (SB 855, SB 1255, GME), third party payors such as Medi-Cal and Medicare, tobacco tax funds, miscellaneous revenue, and Health Realignment. Summary information regarding key components of this budget unit appears below. The "Rev Over/(Under) Exp" amount shown above reflects the enterprise fund's depreciation requirement, and is not a shortfall to the budget. Depreciation expense of \$12,000,000 is included as an operating expense; because funding is not required to offset this amount, a corresponding amount of revenue is not budgeted.

- The current services revenue category is comprised of:
  - Insurance revenue from third party insurance carriers paying on behalf of patients primarily receiving services from ARMC's trauma center. This revenue accounts for 14.2% of ARMC's net revenue.
  - A contract with the Department of Behavioral Health, for provision of services to mentally ill inpatients, accounts for 7.5% of ARMC's net revenue.
  - Self-pay revenue consists of payments from patients who do not qualify for any reimbursement program and are responsible for their own bills; it accounts for 2.2% of ARMC's net revenue.
- The DSH programs were established to provide supplemental Medi-Cal payments to certain hospitals that provide services to disproportionate numbers of Medi-Cal and other low-income patients. These programs assist safety net hospitals in meeting the uncompensated costs associated with providing medical services to uninsured and underinsured patients. These programs are mechanisms for distributing federal health care funds. The programs require the county to transfer general fund dollars (reflected in the Health Care Costs (HCC) budget unit) to the state. Through a matching process, the county receives back its initial contribution, which is recorded in the HCC budget unit as current services revenue. In addition to the return of the initial contribution, the county receives federal health dollars which are accounted for in the ARMC budget in the state and federal category. The level of the county's contribution is set during the year by the state. As a result, the amounts in the HCC budget only represent estimates of the funds that will be needed to support the transfers, which take place during the coming fiscal year. In a similar fashion, this budget cannot fully reflect the amount of federal health dollars received via DSH programs until the county is notified of the matching amounts during the course of the fiscal year. The DSH programs are comprised of two elements:
  - The SB 855 program provides supplemental payments to hospitals that serve a disproportionate number of low-income individuals. Public entities are required to transfer funds to the State Department of Health Services by an intergovernmental transfer. These funds are matched with federal funds and redistributed as supplemental payments to all eligible hospitals including non-public hospitals. A hospital may receive DSH payments if its Medi-Cal utilization rate exceeds an established threshold or it uses minimum percentage of its revenues to provide health care to Medi-Cal and uninsured patients. This accounts for approximately 11.3% of ARMC's net revenue.



## ARROWHEAD REGIONAL MEDICAL CENTER

- The SB 1255 program supplements eligible hospitals that are licensed to provide emergency medical services and contract with the California Medical Assistance Commission (CMAC) to serve Medi-Cal patients under the Selective Provider Contracting Program. Intergovernmental transfers are also made. These funds are combined with matching federal funds and redistributed by CMAC as supplemental payments to hospitals demonstrating a need for additional funds. CMAC ultimately determines the amount received by each participating hospital. This accounts for approximately 12.4% of ARMC's net revenue.

The GME program is part of the SB 1255 program and it provides supplemental payments to DSH hospitals that are also teaching facilities. Payments are determined solely by CMAC and the amount can vary from year to year. Similar to other SB 1255 revenues, the amount actually received is determined by the state during the course of the fiscal year. This accounts for approximately 1.0% of ARMC's net revenue.

- Medicare is a federal insurance program for people over the age of 65 and it accounts for 9.8% of ARMC's net revenue.
- Medi-Cal fee for service is a state run insurance program that covers medical bills for low-income patients and accounts for 23.4% of ARMC's net revenue.
- Medi-Cal Managed Care is a program that is administered by Inland Empire Health Plan and it covers medical costs for low-income patients under an HMO type structure and it accounts for 4% of ARMC's net revenue.
- Tobacco Tax funds are allocated by the state to partially reimburse hospitals for uncompensated medical care and they account for 1.2% of ARMC's net revenue.
- Other revenue is primarily cafeteria sales, reimbursements from contracted physicians for office space, and payment from Riverside Regional County Medical Center (RRCMC) for services provided by ARMC's medical residents assigned to RRCMC. This revenue accounts for 1.4% of ARMC's net revenue.
- Health Realignment is a portion of the vehicle license fees and sales tax collected by the state and distributed to counties to cover the cost of indigent health care. It accounts for 11.6% of ARMC's net revenue.

## II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Operating Expense	235,044,213	244,992,195	249,993,243	274,094,127
Total Financing Sources	231,496,839	246,621,803	257,161,998	263,631,781
Revenue Over/(Under) Expense	(3,547,374)	1,629,608	7,168,755	(10,462,346)
Budgeted Staffing		2,290.3		2,299.9
Fixed Assets	1,541,483	1,629,608	843,329	1,537,654
<b><u>Workload Indicators</u></b>				
Aver. Daily Inpatient Census ARMC	246	246	251	249
Aver. Daily Inpatient Census DBH	58	59	57	56
Emergency Room Visits	60,490	63,000	66,734	74,000
Outpatient Clinic Visits	210,057	208,000	221,101	221,000

Salaries and benefits were higher than budgeted in 2002-03 by \$3.4 million due to increased staff in the inpatient units to better monitor difficult patients and additional personnel required in the emergency room. Services and supplies were up by approximately \$200,000 due to higher utility usage and costs, increased security measures as recommended by the Sheriff's Department to better monitor the facility, increased medical supply costs due to increased drug costs and an increase in the number of prescriptions written, and increased costs to maintain the Medical Center's mechanical systems. These increases were partially offset by a reduction in medically indigent patient care costs.

Actual revenue for 2002-03 reflects the rate increase for Behavioral Health patients and the payment of a pro-rated share of ARMC's debt service which was partially offset by a decrease in DSH funds. Other revenue increased due to payment received from Riverside Regional County Medical Center (RRCMC) for ARMC's residents who rotate there for additional training.

**III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)**

**STAFFING CHANGES**

Overall budgeted staffing increased by 9.6 positions. The base budget reflect salary and benefit cost increases of \$11.9 million due to labor negotiations, retirement costs, and workers' compensation rate increases.

Budgeted staffing was increased by 65.0 positions as a result of five factors: (1) the need for increased personnel (19.0) in the emergency department to address volume increases that were not addressed in previous years; (2) the need for staff (43.0) on the nursing floors and at the Behavioral Health Unit to meet restraint regulations and better monitor disturbed/suicidal patients; (3) the addition of 1.0 Lactation Specialist to provide education for new mothers; (4) the addition of 1.0 Public Service Employee (PSE) to accommodate the Community Options Program; and (5) the addition of 1.0 Chief Financial Officer approved by the Board on May 13, 2003 (Item # 63).

Budgeted staffing was decreased by 55.4 positions as a result of six factors: (1) a decrease in security personnel (13.0) as their services are now incorporated into the external security contract; (2) the deletion of personnel (6.8) as a result of "The Right from the Start" (Proposition 10) program ending on June 30, 2003; (3) an accounting change requiring the Human Resources Officer (1.0) to be budgeted as a transfer out to reflect reimbursement for services provided by a Human Resources Department employee; (4) the deletion of 2.0 Custodians as their duties were reassigned to other personnel; and (5) the deletion of 22.0 clerical and 9.6 technical/other vacant positions; and (6) the deletion of 1.0 position as a result of eliminating a Radiology Assistant Manager, since these duties have been assumed by other personnel.

Also reflected is an increase of approximately \$0.8 million for the new Per Diem Nurse rate to be competitive with other area hospitals with the goal of reducing overtime, maintaining staffing ratios and providing proper patient care; an increase of approximately \$0.5 million for an underestimation of double time pay to Per Diem Nurses and other patient care personnel and an increase of approximately \$0.3 million for the elimination of the vacancy factor.

**PROGRAM CHANGES**

Within Board approved changes to the base budget, services and supplies increased from \$113,732,058 to \$117,156,033, a net increase of \$3,423,975. This increase is related to several changes with the most significant explained below:

- ❖ Based on experience on 2002-03:
  - Medical supplies cost is expected to increase \$1.1 million as a result of volume increases and the expiration of a lawsuit that previously provided ARMC with free drugs that now have to be purchased in the market.
  - Utility costs are rising by approximately \$0.5 million due to higher electricity usage and water charges that resulted from well water problems.
  - Temporary help cost is increasing by approximately \$0.4 million to account for vacant positions.
  - Professional services increases of approximately \$0.8 million are due to higher usage/costs related to kidney dialysis services, outside lab services, outside legal services, and payments to other hospitals for managed care patients assigned to ARMC.
  - Other contracts are increasing by approximately \$1.0 million due to a projected increase in maintenance cost as the equipment becomes aged and requires more upkeep, and laundry services for volume increases and lost linen replacement.
- ❖ Inflation, related primarily to medical supplies (approximately 3%), is projected to increase by approximately \$1.3 million.
- ❖ Overall Insurance premiums are increasing by approximately \$0.6 million, with Malpractice Insurance making up most of the hike.

These increases are partially offset by cost decreases of \$2.4 million with the elimination of Arrowhead Health Administrators, the closure of the Colton Clinic, elimination of expenses previously supported by Proposition 10 revenues, and EHAP and leases expenses now being recorded as transfers.

Within Board approved changes to the base budget, total revenue increased from \$221,289,803 to \$232,481,781 for a net increase of \$11,191,978. This increase is comprised of a number of substantial changes.

- ❖ The current services revenue category will increase by a net \$1.4 million. This will result from the following:

## ARROWHEAD REGIONAL MEDICAL CENTER

- ARMC will increase fees, raising revenues by approximately \$4.7 million. These increases reflect growing operational costs and are consistent with fee schedules of other area hospitals.
- Since the Medical Center continues to operate nearer full capacity, fewer insured patients can be accommodated. This situation is projected to reduce revenues by approximately \$4.0 million.
- Enhanced collection efforts are projected to increase Private Pay revenues by approximately \$700,000.
- ❖ The state and federal revenue category will increase by a net \$9.5 million. This will result from the following:
  - Tobacco Tax revenues, distributed by a statutory allocation formula, are projected to decrease by approximately \$0.8 million based on receipt trends.
  - Proposition 10 revenue will decrease by approximately \$1.4 million as a result of "The Right from the Start" grant ending on June 30, 2003.
  - Medicare revenue is projected to increase by approximately \$3.9 million for an additional payment (commonly referred as exception payment) to offset the cost of building the new facility. These federal funds are available to help offset ARMC construction costs since the new facility enhances service to Medicare patients; funds are anticipated annually through 2009.
  - Medi-Cal revenue is projected to increase by approximately \$1.4 million as the result of an expected rate increase.
  - Projected receipt of Medi-Cal managed care funding via Inland Empire Health Plan has been decreased by approximately \$1.9 million to reflect member growth at a slower rate than previously anticipated.
  - SB 855 funding is expected to decline by approximately \$4.7 million as result of reductions in federal funding (commonly referred to as the "Federal Cliff") and increased state administrative fees.
  - SB 1255 funds are projected to increase by approximately \$13.0 million. (As in past years, the amount of funding ultimately received is not identified until late in the fiscal year.)
- ❖ Other revenue increased as a result of assigning medical resident staff to Riverside Regional County Medical Center and getting reimbursement for their services.

The Board approved several contracts due to renewals or replacements of old contracts that decreased services and supplies by \$1.1 million and increased revenues by \$5.5 million. The revenue increased is primarily due to additional Behavioral Health revenues as a result of a rate increase to realign revenues with expenses.

GROUP: Human Services System DEPARTMENT: Arrowhead Regional Medical Center FUND: Enterprise EAD MCR			FUNCTION: Health and Sanitation ACTIVITY: County Medical Center		
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b>Appropriation</b>					
Salaries and Benefits	124,266,268	120,773,138	132,651,067	2,527,540	135,178,607
Services and Supplies	115,001,468	114,838,886	113,732,058	3,423,975	117,156,033
Central Computer	893,981	893,981	893,981	(276,943)	617,038
Other Charges	648,866	78,545	78,545	(68,425)	10,120
Transfers	211,931	177,645	177,645	954,684	1,132,329
Total Exp Authority	241,022,514	236,762,195	247,533,296	6,560,831	254,094,127
Depreciation	-	-	-	12,000,000	12,000,000
Operating Transfers Out	8,970,729	8,230,000	8,230,000	(230,000)	8,000,000
Total Operating Expense	249,993,243	244,992,195	255,763,296	18,330,831	274,094,127
<b>Revenue</b>					
Current Services	68,349,655	55,578,700	61,578,700	1,427,639	63,006,339
State, Fed or Gov't Aid	155,346,591	157,471,006	156,919,006	9,466,645	166,385,651
Other Revenue	3,277,016	2,792,097	2,792,097	297,694	3,089,791
Total Revenue	226,973,262	215,841,803	221,289,803	11,191,978	232,481,781
Operating Transfers In	30,188,736	30,780,000	30,780,000	370,000	31,150,000
Total Financing Sources	257,161,998	246,621,803	252,069,803	11,561,978	263,631,781
Rev Over/(Under) Exp.	7,168,755	1,629,608	(3,693,493)	(6,768,853)	(10,462,346)
Budgeted Staffing		2,290.3	2,290.3	9.6	2,299.9
<b>Fixed Asset</b>					
Fixed Asset Equipment	521,238	1,000,000	1,000,000	250,000	1,250,000
Capital Lease Equipment	322,091	629,608	629,608	(341,954)	287,654
Total Fixed Asset	843,329	1,629,608	1,629,608	(91,954)	1,537,654

## ARROWHEAD REGIONAL MEDICAL CENTER

<b>Total Changes Included in Board Approved Base Budget</b>	
Salaries and Benefits	4,779,330 MOU.
	5,967,240 Retirement.
	1,135,509 Risk Management Workers' Comp.
	20,696 Approved by the Board on December 17, 2002 - upgraded the Compliance Officer contract.
	34,772 Approved by the Board on December 17, 2002 - upgraded the Business & Marketing Director.
	2,223 Approved by the Board on January 28, 2003 - reclassified a Licensed Vocational Nurse (LVN) II to LVN III.
	3,522 Approved by the Board on February 11, 2003 - upgraded an Ultrasound Technician I to a Ultrasound Technician II.
	(65,363) Approved by the Board on February 11, 2003 - deleted 1.0 R\$adiology Assistant Manager.
	<u>11,877,929</u>
Services and Supplies	(506,368) Approved by the Board on June 25, 2002 - reduced contract with Institutional Pharmacy Services, Inc. related to operation of the inpatient & outpatient Pharmacy.
	(2,130,388) Approved by the Board on October 2, 2002 - decreased contracts with various physicians that provide services at the hospital.
	(166,000) Approved by the Board on October 29, 2002 - radiation contract reduction for oncology services.
	524,000 Approved by the Board on November 19, 2002- increased the contract with the California Emergency Physicians.
	156,000 Approved by the Board on December 3, 2002 - state mandated newborn screening tests of all babies delivered at ARMC.
	121,668 Approved by the Board on December 17, 2002 - new contract with Clinica Del Sol to replace Medical Personal Management contract to provide medical services to medically indigent adults.
	15,842 Approved by the Board on February 4, 2003 - increased contract with Wound Management for wound consulting services.
	808,471 Approved by the Board on February 25, 2003 - increased contract with AKAL for security services.
	69,947 Approved by the Board on March 25, 2003 - contract with 3M Corp. for unlimited software license used to maintain patient census data.
	<u>(1,106,828)</u>
<b>Revenue</b>	
Current Services	<u>6,000,000</u> Approved by the Board on march 4, 2003 - increased Behavioral Health contract for inpatient psychiatric services.
State, Fed or Gov't Aid	<u>(552,000)</u> Approved by the Board on October 22, 2002 - decreased managed care contract with Inland Empire Health Plan.
Total Operating Expense	10,771,101
Total Financing Sources Change	5,448,000
Total Rev Over/(Under) Exp Change	(5,323,101)
Total 2002-03 Operating Expense	244,992,195
Total 2002-03 Financing Sources	246,621,803
Total 2002-03 Rev Over/(Under) Exp	1,629,608
Total Base Budget Operating Expense	255,763,296
Total Base Budget Financing Sources	252,069,803
Total Base Budget Rev Over/(Under) Exp	(3,693,493)

# ARROWHEAD REGIONAL MEDICAL CENTER

## Board Approved Changes to Base Budget

Salaries and Benefits	1,468,514	Additional 19.0 positions for the emergency room.
	824,531	Per diem ordinance increase.
	(462,925)	Delete 6.75 positions related to "The Right From The Start" Program.
	1,353,897	Add 43.0 positions to nursing and ARMC Behavioral Health unit to act as patients' observers.
	(466,963)	Delete 10.0 Security Technician I's and 3.0 Security Technician II's.
	72,011	Add 1.0 Lactation Specialist for Doula services.
	17,631	Add 1.0 PSE to accommodate Community Options personnel.
	(69,202)	Delete 2.0 Custodian II's.
	(89,909)	Delete 1.0 Human Resources Officer now recorded as transfer out.
	468,981	Increase special earnings (pad holiday) underestimated in prior year.
	(946,894)	Net decrease due to deletion of 31.6 vacant positions offset by addition of 1.0 Chief Financial Officer position.
	<u>357,868</u>	Eliminate vacancy factor.
	<u>2,527,540</u>	
Services and Supplies	(310,627)	Elimination of Arrowhead Health Administrators.
	(210,000)	Closure of Colton Clinic.
	450,600	Increased electricity usage and increased water charges with well water problems.
	(427,979)	GASB 34 Accounting Change (EHAP).
	(430,149)	GASB 34 Accounting Change - rent expense now budgeted in transfers.
	577,825	Increased overall insurance costs per Risk Management.
	391,000	Additional temporary help to fill vacant positions.
	1,312,100	Inflation primarily in medical supplies (\$1,181,000).
	(927,677)	The "Right From The Start" grant from the First Family commission ended June 30, 2003.
	809,000	Increase in professional services due to volume increases in Kidney Dialysis (\$123K), legal services (\$100K), outside
	288,500	Increased costs related to laundry services due to volume increase and lost linen replacement.
	1,076,000	Increase volume of prescriptions and expiration of free drug distribution from lawsuit settlement.
	683,500	Increased maintenance costs on equipment.
	90,000	Increased at home nursing services.
	<u>51,882</u>	Net increase for all other services and supplies.
	<u>3,423,975</u>	
Central Computer	<u>(276,943)</u>	
Other Charges	<u>(68,425)</u>	Reduction in lease payments.
Transfers	93,300	Additional HRO I and part of HR Chief.
	397,067	GASB 34 Accounting Change (EHAP).
	464,317	GASB 34 Accounting Change - rent leases previously budgeted as services and supplies.
	<u>954,684</u>	
Total Expenditure Authority	<u>6,560,831</u>	
Depreciation	<u>12,000,000</u>	Accounting adjustment to record depreciation as an operating expense.
Operating Transfers Out	<u>(230,000)</u>	Decrease in Architecture & Engineering site reuse fees.
Total Operating Expense	<u>18,330,831</u>	
Revenue		
Current Services	738,700	Increased private pay revenue because of enhanced collection effort.
	688,939	Net changes - decreased insurance revenue because of decline in volume plus increased revenue due to a fee increase of 10%.
	<u>1,427,639</u>	Anticipated decrease in patient pay and insurance.
State, Fed or Gov't Aid	(1,390,602)	The "right From The Start" grant ends on June 30, 2003.
	(810,899)	Reduction in Tobacco Tax revenue.
	(1,852,500)	Reduction in IEHP and Health Net Managed Care volume growth (\$1.3M), IEHP Indigent Fund (\$120K), IEHP Risk
	(4,751,003)	Reduction in SB 855 revenue because of federal cliff (legislation) and additional state administrative fee.
	1,395,167	Increase Medi-Cal due to rate increase.
	12,984,203	Increase in SB 1255 payments from the state.
	<u>3,892,279</u>	Increased Medicare inpatient revenue from additional exception payment.
	<u>9,466,645</u>	
Other Revenue	<u>297,694</u>	Various increases and decreases in other revenue.
Total Revenue	<u>11,191,978</u>	
Operating Transfer In	<u>370,000</u>	Decrease in realignment (\$230,000) and increase in trauma revenue.
Total Financing Sources	<u>11,561,978</u>	
Fixed Assets	250,000	Increased capital costs to buy out Radiology leases and buy additional Meditech servers.
	<u>(341,954)</u>	Reduction in lease payments.
	<u>(91,954)</u>	

# ARROWHEAD REGIONAL MEDICAL CENTER

## BUDGET UNIT: TELEMEDICINE (RMT MCR)

### I. GENERAL PROGRAM STATEMENT

The Arrowhead Regional Medical Center established this fund in 2001-02 to facilitate the transfer of Telemedicine Federal Grant funds to the County, as required by the U.S. Department of Health and Human Services. Funds were provided to assist ARMC in purchasing equipment needed to offer telemedicine services. There is no staffing associated with this budget unit.

### II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Requirements	1,264,031	100,000	1,053	-
Total Revenue	1,265,059	98,972	(154)	-
Fund Balance		1,028		-

The grant has ended; the 2002-03 activity represents close out transactions as all the revenue for the grant was received in 2001-02 and the \$100,000 budgeted in 2002-03 was an over estimation. The remaining fund balance was transferred to the Medical Center's operating budget. The grant revenues reimbursed the Medical Center for the program's implementation costs, including equipment. Currently, the Medical Center provides Telemedicine services to its patients and bills the corresponding payors accordingly. This operational revenue is accounted for in the ARMC budget.

### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET

#### PROGRAM CHANGES

See above.

GROUP: Human Services System			FUNCTION: Health & Sanitation		
DEPARTMENT: Arrowhead Regional Medical Ctr - Telemedicine Fed Grant			ACTIVITY: Hospital Care		
FUND: Special Revenue RMT MCR					
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b><u>Appropriation</u></b>					
Operating Transfer Out	1,053	100,000	100,000	(100,000)	-
Total Requirements	1,053	100,000	100,000	(100,000)	-
<b><u>Revenue</u></b>					
State, Fed or Gov't Aid	(154)	98,972	98,972	(98,972)	-
Total Revenue	(154)	98,972	98,972	(98,972)	-
Fund Balance		1,028	1,028	(1,028)	-

Board Approved Changes to Base Budget	
Operating Transfers Out	(100,000) Fund closed.
Total Requirements	(100,000)
Revenue	
State, Fed or Gov't Aid	(98,972) Fund closed.
Total Revenue	(98,972)
Fund Balance	(1,028)

# ARROWHEAD REGIONAL MEDICAL CENTER

## BUDGET UNIT: TOBACCO TAX (RGA THROUGH RGR)

### I. GENERAL PROGRAM STATEMENT

The Arrowhead Regional Medical Center established these funds in 1989-1990 to facilitate the transfer of Tobacco Tax funds to the County hospital, Non-County hospitals and Physicians, as required by the State Department of Health Services. The funds will then be disbursed per guidelines established by the state. There is no staffing associated with this budget unit.

These funds are allocated by the state to county hospitals, non-county hospitals, and physicians to partially reimburse them for uncompensated medical services. ARMC is projected to net approximately \$2.78 million from this revenue source in 2003-04, and will transfer the balance to area hospitals in accordance with the prescribed distribution formula.

### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Requirements	2,194,832	5,598,797	3,673,891	4,390,510
Total Financing Sources	1,711,201	4,791,542	3,606,658	3,648,209
Fund Balance		807,255		742,301

The distribution schedule for these funds is three months behind. The Medical Center received nine months of this year's allocation plus three months of the previous year allocation. The actual revenue for 2002-03 is down since the Medical Center budgeted for fifteen months worth of revenue but only received revenue for a twelve-month period.

### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET

#### PROGRAM CHANGES

The state continues to reduce the amount distributed to counties for Tobacco Tax and has eliminated entirely the amount paid to physicians. These funds may be reduced even more in the future with the ongoing state budget crisis.

The department's request for 2003-04 assumes a decrease in revenues, consistent with recent trends for receipt of revenue from taxes imposed on tobacco products.

GROUP: Human Services System			FUNCTION: Health & Sanitation		
DEPARTMENT: Arrowhead Regional Medical Ctr - Tobacco Tax			ACTIVITY: Hospital Care		
FUND: Special Revenue RGA through RGR					
	<b>2002-03 Actuals</b>	<b>2002-03 Approved Budget</b>	<b>2003-04 Board Approved Base Budget</b>	<b>2003-04 Board Approved Changes to Base Budget</b>	<b>2003-04 Final Budget</b>
<b><u>Appropriation</u></b>					
Services and Supplies	3,673,891	5,576,367	5,576,367	(1,185,857)	4,390,510
Total Appropriation	3,673,891	5,576,367	5,576,367	(1,185,857)	4,390,510
Operating Transfers Out	-	22,430	22,430	(22,430)	-
Total Requirements	3,673,891	5,598,797	5,598,797	(1,208,287)	4,390,510
<b><u>Revenue</u></b>					
Use of Money & Prop	50,456	102,122	102,122	42,878	145,000
State, Fed or Gov't Aid	3,556,202	4,666,990	4,666,990	(1,163,781)	3,503,209
Total Revenue	3,606,658	4,769,112	4,769,112	(1,120,903)	3,648,209
Operating Transfers In	-	22,430	22,430	(22,430)	-
Total Financing Sources	3,606,658	4,791,542	4,791,542	(1,143,333)	3,648,209
Fund Balance		807,255	807,255	(64,954)	742,301

## ARROWHEAD REGIONAL MEDICAL CENTER

### Board Approved Changes to Base Budget

Services & Supplies	<u>(1,185,857)</u>	Twelve months budgeted, only nine months from current year, three months from prior year.
Operating Transfers Out	<u>(22,430)</u>	Eliminate transfer among funds used to correct fund balances.
Total Requirements	<u>(1,208,287)</u>	
Revenue		
Use of Money & Prop.	<u>42,878</u>	Increase in interest.
State, Fed or Gov't Aid	<u>(1,163,781)</u>	Twelve months budgeted, only nine months from current year, three months from prior year.
Other Financing	<u>(22,430)</u>	Eliminate transfer among funds used to correct fund balances.
Total Revenue	<u>(1,143,333)</u>	
Fund Balance	<u>(64,954)</u>	



## BEHAVIORAL HEALTH

### OVERVIEW OF BUDGET DEPARTMENT: BEHAVIORAL HEALTH DIRECTOR: RUDY G. LOPEZ

2003-04

	<u>Appropriation</u>	<u>Revenue</u>	<u>Local Cost</u>	<u>Fund Balance</u>	<u>Staffing</u>
Behavioral Health	121,296,698	119,453,945	1,842,753	-	686.2
Alcohol & Drug	20,063,339	19,913,881	149,458	-	91.5
Special Patient	16,600	3,800		12,800	-
Total	141,376,637	139,371,626	1,992,211	12,800	777.7

### BUDGET UNIT: BEHAVIORAL HEALTH (AAA MLH)

#### I. GENERAL PROGRAM STATEMENT

The Department of Behavioral Health (DBH) is responsible for providing mental health services to county residents who are either unable to afford treatment or do not live in proximity to private services. Treatment is provided to all age groups, with primary emphasis placed on treating children, families and chronically mentally ill adults (in that priority). Services are delivered throughout the county via a network of department operated clinics, community based contract providers (residential and psychiatric skilled nursing facilities and acute hospitals), public schools and other community based settings. Services include: information and referrals, community outreach, client self-help and support groups, a variety of children's programs, mentally ill homeless program, employment services, case management, crisis and transitional residential assistance, augmented board and care placements, conservatorship services, supportive housing services and client transportation assistance. The department also operates as a training setting by administering various internship programs and offering continuing education for licensed department and contractor staff.

Mental health services are principally funded by realignment funds generated from state sales tax and vehicle license fees (56%), state revenues (18%) and federal revenue (23%). The remaining three percent of revenue sources are insurance/patient fees and other miscellaneous revenue. In addition, the county must fund the required realignment revenue maintenance of effort (MOE). The department's local cost of \$1,842,753 finances the required MOE.

#### II. BUDGET & WORKLOAD HISTORY

	<u>Actual 2001-02</u>	<u>Budget 2002-03</u>	<u>Actual 2002-03</u>	<u>Budget 2003-04</u>
Total Requirements	94,992,130	113,215,605	117,341,111	121,296,698
Total Revenue	93,149,377	111,372,852	115,498,359	119,453,945
Local Cost	1,842,753	1,842,753	1,842,752	1,842,753
Budgeted Staffing		734.1		686.2

#### **Workload Indicators**

Inpatient Days	43,550	43,625	-	-
Habilitative Day Treatment Days	57,884	54,000	-	-
Outpatient Service Hours	540,779	517,854	-	-
Residential Days	109,597	117,000	-	-
Unduplicated Clients	34,014	32,140	-	-
Managed Care Autho/Reviews/Claims	35,804	32,848	-	-

#### **Direct Billable Hours:**

CLINIC	185,996		242,418	202,754
CONTRACT	59,402		107,684	68,104
Fee For Service	22,552		34,220	24,205
Medical Administrative Activity Hours	29,987		33,087	33,496
Quality Assurance hours	7,961		15,532	8,120
Outreach hours clinic & contract	69,506		84,865	75,764

#### **Day Treatment Hours:**

Habilitative (Clinic and Contract)	57,884		56,692	-
Intensive			59,639	20,800

## BEHAVIORAL HEALTH

Significant variances between actual and budget for 2002-03 existed in contract agency costs, state hospital costs and state aid.

The ARMC contract was re-negotiated which translated into an additional cost of \$5.0 million for 2002-03; increased rates more accurately reflect the cost for providing treatment at ARMC. The 2003-04 cost impact of this rate adjustment is estimated at \$5.2 million.

State hospital costs were expected to drop by 50% in the current year due to the anticipated addition of the Assertive Community Treatment (ACT) contract. ACT services enable the consumer to live in lower levels of care at a lower cost to the county. However, due to a lengthy RFP process, the ACT contract was not in place until mid-year and as a result the state hospital bed usage remained the same. The ACT contract provides services to mentally ill consumers who are high users of emergency and inpatient psychiatric services and those at risk of needing such care. DBH is actively trying to transition patients away from the higher-level setting and the 2003-04 budget reflects the anticipated change.

The 2002-03 budget included state aid for AB3632, SB90 and full Children's System of Care (CSOC) funding. AB3632 is a state mandated program for services to special education pupils (SEP) and state revenue of \$721,688 was included in the 2002-03 budget for this program. Additional funds of \$900,000 (primarily for the AB3632 program) were budgeted as SB90 revenue to cover the portion of mandated program costs beyond the budgeted revenue. The SB90 program reimburses the county for unfunded state mandated services. Funding for both these programs was eliminated from the state budget. In addition, half of the funding (\$650,000) budgeted for the CSOC program was also eliminated. CSOC provides services to seriously emotionally disturbed children at risk for out of home placement and those children already in placement who are at risk for higher levels of care. In an effort to offset the reduction in funding, the department postponed planned system upgrades (\$900,000). Realignment revenue was used to backfill the remaining revenue losses.

Workload indicators have been changed to better reflect the activity of department staff. With regionalization in the department and a move towards the Recovery Model, the existing workload indicators did not provide a tool that could be used to measure outcomes. The department is moving away from Day Treatment Habilitative services and focusing more on providing Intensive Day Treatment. Intensive Day Treatment is designed to prevent hospitalization for high-risk consumers and places an emphasis upon assessment of consumers' activities of daily living and vocational skills, and services targeted at enhancing clients' self-sufficiency and ability to function as members of the community.

### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

#### **STAFFING CHANGES**

Budgeted staffing changes include the deletion of 47.9 budgeted vacant and Extra Help positions as part of the Department's plan to reduce use of Realignment funding. The proposed budget also includes an increase of \$583,000 to fund an MOU between DBH and the Human Services System (HSS). The MOU provides for 12 HSS positions (which will be retained by HSS) for assignment to DBH clinics. These positions will enable DBH to: expand the centralized employment component to all the regions of the county, assist clients in obtaining health benefits, screen and refer potential clients to needed services.

#### **PROGRAM CHANGES**

The majority of Behavioral Health services are funded with State Realignment revenues. In recent years, appropriations have included a combination of ongoing Realignment funds as well as use of unspent Realignment fund balance. Analysis of projected revenues, as well as use of fund balance over the next two fiscal years, indicated the need to significantly reduce expenditures beginning in 2003-04 rather than attempt to make dramatic cuts in 2004-05. To better align spending with receipt of ongoing Realignment funding, this budget proposes a fiscal "glide path" which spreads cuts over two fiscal years. The 2003-04 budget would reduce the department's reliance upon Realignment funding by approximately \$8.0 million.

The department reduced operating costs as part of a two-year plan to decrease use of Realignment fund balance. These cost reductions include a net decrease of \$8.5 million in services and supplies expenditures primarily due to a \$6.2 million reduction in contracted services to align with 2002-03 service levels. Other reductions include \$1.1 million in equipment costs by foregoing office furniture purchases, and suspending the personal computer replenishment program. Expenditures for software were decreased by \$1.38 million.

## BEHAVIORAL HEALTH

Reductions also included the redesignation of \$6.5 million in structure leases and Fee for Service Inpatient payments as Transfers to comply with recent accounting guideline changes (GASB 34). The decreases were partially offset by an increase of \$5.2 million in the contract with the Arrowhead Regional Medical Center for inpatient services. Other increases include \$1.3 million for medications provided to adult inmates (a cost previously borne by general fund allocation to the Sheriff's Department), \$961,000 in COWCAP charges, and \$550,000 for anticipated payments to Fee-For-Service providers for outpatient services to indigents in the high desert region.

State, federal and governmental aid reflects a net decrease of \$7.6 million. Approximately \$3 million in funding for CSOC, AB3632 and SB90 programs was eliminated by the state and \$527,000 in state grant funds for the Mentally Ill Offender program was discontinued (the grant program concluded). Other decreases included a \$1 million reduction in Medi-Cal FFP and a \$7.8 million reduction in use of Realignment funds. These decreases were offset by a \$2.5 million increase in EPSDT revenue, and \$525,000 in combined increased revenues for Managed Care, Homeless Recovery and Medicare. In addition, \$1.8 million was reclassified from other charges to the state, federal and governmental aid category to conform to accounting guidelines.

In addition to the program changes described above, the Board approved the following adjustments to the 2003-04 budget. Salaries and benefits increased \$4.7 million due to increased MOU, retirement and workers compensation costs. Services and supplies increased by approximately \$11 million as a result of Board approved expansion of the EPSDT program. State, Federal and Governmental Aid increases included \$5.5 million in Medi-Cal to fund 50% of the EPSDT contracts and \$10.2 million in realignment revenue (\$5.5 for EPSDT and \$4.7 to fund salary and benefit increases).

GROUP: Human Services System DEPARTMENT: Behavioral Health FUND: General AAA MLH			FUNCTION: Health & Sanitation ACTIVITY: Hospital Care		
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b>Appropriation</b>					
Salaries and Benefits	41,805,578	42,382,851	47,012,411	(1,085,253)	45,927,158
Services and Supplies	64,896,741	60,740,763	72,034,200	(8,573,384)	63,460,816
Central Computer	550,342	550,342	407,902	-	407,902
Other Charges	4,301,849	2,943,804	2,943,804	1,160,421	4,104,225
Equipment	-	198,000	198,000	(198,000)	-
Transfers	1,838,745	2,462,419	2,462,419	2,287,920	4,750,339
Total Exp Authority	113,393,255	109,278,179	125,058,736	(6,408,296)	118,650,440
Reimbursements	(4,091,776)	(4,198,074)	(4,198,074)	101,579	(4,096,495)
Total Appropriation	109,301,479	105,080,105	120,860,662	(6,306,717)	219,634,050
Operating Transfers Out	8,039,632	8,135,500	8,135,500	(1,392,747)	6,742,753
Total Requirements	117,341,111	113,215,605	128,996,162	(7,699,464)	121,296,698
<b>Revenue</b>					
Current Services	294,391	289,666	289,666	(21,167)	268,499
State, Fed or Gov't Aid	113,660,432	109,341,375	125,121,932	(7,640,894)	117,481,038
Other Revenue	1,543,536	1,741,811	1,741,811	(37,403)	1,704,408
Total Revenue	115,498,359	111,372,852	127,153,409	(7,699,464)	119,453,945
Local Cost	1,842,752	1,842,753	1,842,753	-	1,842,753
Budgeted Staffing		734.1	734.1	(47.9)	686.2

## BEHAVIORAL HEALTH

### Total Changes Included in Board Approved Base Budget

Salaries and Benefits	1,418,575	MOU.
	2,300,215	Retirement.
	643,249	Risk Management Workers' Comp.
	267,521	Full year funding for West Valley Detention Center mid-year minute order #79.
	<u>4,629,560</u>	
Services and Supplies	11,076,579	EPSDT minute order #60 dated January 14, 2003.
	225,752	Risk Management Liabilities.
	(8,894)	Incremental Change in EHAP.
	<u>11,293,437</u>	
Central Computer	<u>(142,440)</u>	
<b>Revenue</b>		
State, Fed or Gov't Aid	5,538,289	Increase in Medi-Cal for EPSDT contracts (minute order #60)
	5,538,290	Increase in realignment in lieu of state EPSDT revenue (minute order #60)
	4,703,978	Increase realignment required to fund base year adjustments.
	<u>15,780,557</u>	
<hr/>		
Total Requirements Change	15,780,557	
Total Revenue Change	15,780,557	
Total Local Cost Change	-	
<hr/>		
Total 2002-03 Requirements	113,215,605	
Total 2002-03 Revenue	111,372,852	
Total 2002-03 Local Cost	1,842,753	
<hr/>		
Total Base Budget Requirements	128,996,162	
Total Base Budget Revenue	127,153,409	
Total Base Budget Local Cost	1,842,753	

## BEHAVIORAL HEALTH

### Board Approved Changes to Base Budget

Salaries and Benefits	583,854	ESS positions from HSS MOU.
	(1,567,535)	Reduction of 46.1 positions.
	(101,572)	Deleted 1.8 vacant positions.
	<u>(1,085,253)</u>	
Services and Supplies	5,201,000	ARMC contract increase.
	1,300,000	Medication for incarcerated adults.
	(3,500,000)	Fee-for-Service Inpatient payments now being paid out of operating transfers out.
	(3,083,909)	Real Estate services will be assuming responsibility for rents/lease payments. The budget has been recategorized to intra-fund transfers.
	(1,380,669)	Software reduction. Removed plans to upgrade the existing client data system.
	(1,117,256)	Reduce equipment; 1/3 PC replenishment has been put on hold and furniture orders are expected to be reduced significantly in 2003-04.
	961,137	COWCAP increase.
	(600,000)	Align budget with current year actuals for Fee-for-Service contracts.
	(468,247)	Reduction in incorporated MD contracts.
	(217,085)	Reduce professional fees.
	550,000	Anticipated Fee-for-Service provider payments for indigent services. This was not budgeted in 2002-03.
	135,097	Increase malpractice insurance.
	(100,000)	Decrease motor pool.
	(6,284,513)	Reduction in contracted services to 2002-03 levels.
	31,061	Miscellaneous changes.
	<u>(8,573,384)</u>	
Other Charges	1,324,961	Increase state hospitals costs.
	(164,540)	Reduction in interim assistance for clients.
	(1,842,753)	Local cost accounting change now reflected as operating transfers out.
	1,842,753	Local cost accounting change now reflected in revenue.
	<u>1,160,421</u>	
Equipment	<u>(198,000)</u>	No new equipment budgeted.
Transfers	2,903,909	Real Estate Services will be assuming responsibility for rents/lease payments. Previously budgeted in services and supplies.
	28,536	HSS Administration increase.
	127,271	EHAP costs.
	2,511	HRD salary and benefit cost increases.
	(500,000)	Eliminated reimbursement to the alcohol & Drug Program for aftercare services.
	(274,307)	Reduction in transfers to Public Health and Probation due to loss of CSOC funding.
	<u>2,287,920</u>	
Reimbursements	101,579	Reduction in interagency agreements.
	<u>101,579</u>	
Total Appropriation	<u>(6,306,717)</u>	
Operating Transfers Out	(5,635,500)	Phoenix construction project near completion.
	(1,100,000)	Reduce Building H project.
	1,842,753	Local cost accounting change. Reclassed from other charges.
	3,500,000	Fee-for-service Inpatient payments, formerly paid out of services and supplies.
	<u>(1,392,747)</u>	
Total Requirements	<u>(7,699,464)</u>	
Revenue		
Current Services	<u>(21,167)</u>	Anticipated decrease in patient pay and insurance.
State, Fed or Gov't Aid	(1,300,000)	CSOC funding eliminated.
	(721,668)	AB3632 funding eliminated.
	(900,000)	SB90 funding eliminated.
	(527,107)	Elimination of MIOCR I (SPAN) grant.
	(1,091,581)	Reduction in Medical FFP.
	173,553	Estimated increase in Medicare revenue.
	2,510,405	Change to EPSDT program base.
	(7,847,773)	Decrease realignment.
	104,809	State allocation increase for homeless program.
	247,960	State allocation increase for managed care program.
	1,842,753	Local cost accounting change reclassified from other charges.
	(30,673)	Miscellaneous.
	(101,572)	Reduce realignment revenue due to deletion of 1.8 positions.
	<u>(7,640,894)</u>	
Other Revenue	<u>(37,403)</u>	Reduction due to state-wide budget cuts.
Total Revenue	<u>(7,699,464)</u>	
Local Cost	<u>-</u>	

## BEHAVIORAL HEALTH

### BUDGET UNIT: ALCOHOL AND DRUG ABUSE SERVICES (AAA ADS)

#### I. GENERAL PROGRAM STATEMENT

The Department of Behavioral Health's Alcohol and Drug Abuse Services consist of comprehensive substance abuse prevention and treatment programs for county residents. Services are provided by 6 county operated clinics and 30 to 40 contractors depending on the number of responses to RFPs. The major components include outpatient, residential, prevention, methadone, and case management services. Annually, approximately 13,000 clients are served and over 73,000 hours of prevention services are performed.

Services are primarily provided to clients who are indigent or receiving Medi-Cal. A small number of cases are private pays. ADS programs are principally funded by federal revenue (65%), state revenue (13%) and Medi-Cal (9%). To remain eligible for the state and federal funds, the county is required to provide a 10% match of state revenue. The department's local cost of \$149,458 funds the required match. The department also receives reimbursements (\$6.2 million) from other county departments. The two primary reimbursements are for services provided to the Human Services System (HSS) CalWorks program (\$1.4 million) and the Proposition 36 – Substance Abuse and Crime Prevention Act program (\$4.0 million).

#### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	17,624,241	24,784,682	20,595,302	20,063,339
Total Sources	17,414,932	24,577,582	20,433,134	19,913,881
Local Cost	209,309	207,100	162,168	149,458
Budgeted Staffing		100.9		91.5
<b><u>Workload Indicators</u></b>				
Drug Abuse Prevention Hours	88,768	80,000	76,699	73,000
Residential Treatment Clients	2,496	2,800	2,774	2,300
Outpatient Treatment Clients	7,886	8,800	9,054	9,500
Methadone Treatment Clients	854	1,200	947	1,259

The variances between the 2001-02 actual and budget for 2002-03 were due in part to the difficulty in filling budgeted positions and high staff turnover. In addition, the treatment costs related to the Proposition 36 program did not materialize as initially projected.

The 2002-03 actual expenditures reflect a reduction in salary and benefits of \$960,000 as the department held positions vacant due to the uncertainty of the state budget. In addition, services and supplies decreased by \$1.3 million as a result of the department postponing the purchase of software and a decrease in contract costs. Overall, revenues decreased by approximately \$4.0 million due to a combination of reduced CalWorks funding and reclassifying revenue to reimbursements thus reducing both revenue and total appropriations. Local cost was also reduced to reflect the minimum required 10% match of actual State revenue.

The prevention hours were below budget due to county clinics devoting more time to outpatient services. Residential services declined and outpatient services increased due to an effort to place clients in a less costly outpatient service mode.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

##### **STAFFING CHANGES**

Salaries and benefit program changes reflect a decrease of \$397,701 from the Board approved base budget. The Board approved base budget initially reflected increased salary and benefit costs due to employee MOUs. Since then, the department defunded 9.4 vacant positions; that budgetary savings will now offset the majority of increased MOU costs.

## BEHAVIORAL HEALTH

### PROGRAM CHANGES

The reduction to services and supplies is due primarily to contract reductions of 6% (\$1,058,262) which reflects the net reduction of available funding. Program funding decreased by approximately \$1.6 million reflecting a reduction in CalWorks reimbursements due to HSS funding limitations. In addition, \$500,000 in reimbursements for aftercare services was eliminated due to a reduction in the Behavioral Health realignment sales tax and vehicle license fee revenue. These reductions were partially offset by an increase in funding from the State Department of Alcohol and Drug and special revenue funds.

GROUP: Human Services System			FUNCTION: Health & Sanitation		
DEPARTMENT: Behavioral Health - Substance Abuse			ACTIVITY: Hospital Care		
FUND: General AAA ADS					
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b><u>Appropriation</u></b>					
Salaries and Benefits	4,195,721	5,155,322	5,578,461	(397,701)	5,180,760
Services and Supplies	19,157,205	21,373,845	21,308,280	(1,073,678)	20,234,602
Equipment	(11,798)	-	-	-	-
Transfers	862,676	814,000	814,000	36,039	850,039
Total Exp Authority	24,203,804	27,343,167	27,700,741	(1,435,340)	26,265,401
Reimbursements	(3,608,502)	(2,558,485)	(2,558,485)	(3,643,577)	(6,202,062)
Total Appropriation	20,595,302	24,784,682	25,142,256	(5,078,917)	20,063,339
<b><u>Revenue</u></b>					
Current Services	218,452	4,041,502	4,041,502	(3,825,520)	215,982
State, Fed or Gov't Aid	16,027,926	16,437,876	16,853,092	439,807	17,292,899
Other Revenue	151,333	125,000	125,000	-	125,000
Total Revenue	16,397,711	20,604,378	21,019,594	(3,385,713)	17,633,881
Operating Transfer In	4,035,423	3,973,204	3,973,204	(1,693,204)	2,280,000
Total Financing Sources	20,433,134	24,577,582	24,992,798	(5,078,917)	19,913,881
Local Cost	162,168	207,100	149,458	-	149,458
Budgeted Staffing		100.9	100.9	(9.4)	91.5

## BEHAVIORAL HEALTH

### Total Changes Included in Board Approved Base Budget

#### BASE YEAR

Salaries and Benefits	<u>423,139</u>	MOU and Retirement Increases.
Services and Supplies	(8,284)	4% Spend Down Plan.
	(7,923)	Risk Management and EHAP reductions.
	<u>(49,358)</u>	Approved local cost reduction.
	<u>(65,565)</u>	

#### Revenue

State, Fed or Gov't Aid	<u>415,216</u>	Increase in state and federal funding from the State Department of Alcohol and Drug.
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Total Appropriation Change	357,574
Total Financing Sources Change	415,216
Total Local Cost Change	(57,642)
Total 2002-03 Appropriation	24,784,682
Total 2002-03 Financing Sources	24,577,582
Total 2002-03 Local Cost	207,100
Total Base Budget Appropriation	25,142,256
Total Base Budget Financing Sources	24,992,798
Total Base Budget Local Cost	149,458

### Board Approved Changes to Base Budget

Salaries and Benefits	<u>(397,701)</u>	Deleted 9.4 vacant positions due to funding reductions.
Services and Supplies	(1,058,262)	Reduction of contracted services due to net loss of available funding.
	(15,416)	Miscellaneous service and supplies adjustments due to funding reductions.
	<u>(1,073,678)</u>	
Transfers	17,493	EHAP cost previously budgeted in services and supplies.
	18,546	Increase in drug court administration costs.
	<u>36,039</u>	
Reimbursements	(1,417,427)	Reclassification from revenue to reimbursement for CalWorks services .
	(670,000)	Reclassification from revenue to reimbursement for DCS/CPS services .
	(3,973,204)	Reclassification from operating transfer to reimbursement for Substance Abuse & Crime Prevention Act (SACPA) services .
	1,924,554	Reclassification from reimbursement to operating transfers for transfer from special revenue funds.
	500,000	Loss of reimbursement from DBH for aftercare services.
	(7,500)	Increase in reimbursement from Probation Dept for the Repeat Offender Program.
	<u>(3,643,577)</u>	
Total Appropriation	<u>(5,078,917)</u>	
Revenue		
Current Services	(3,760,520)	Reclassification of CalWorks/DCS to transfers In. (CalWorks \$3,090,520, and DCS \$670,000).
	(65,000)	Payments under the CARRS program no longer available to ADS.
	<u>(3,825,520)</u>	
State, Fed or Gov't Aid	<u>439,807</u>	This is based on the preliminary allocation from the State Department of Alcohol & Drug.
Total Revenue	<u>(3,385,713)</u>	
Operating Transfers In	(1,693,204)	Net of reclassing special revenue funds from revenue to op transfers \$2,280,000 and SACPA to reimbursements (\$3,973,204).
Total Financing Sources	<u>(5,078,917)</u>	
Local Cost	<u>-</u>	



## BEHAVIORAL HEALTH

### BUDGET UNIT: SPECIAL PATIENT ACCOUNT (RMC MLH)

#### I. GENERAL PROGRAM STATEMENT

The Department of Behavioral Health established the Special Patient Account to monitor funds set aside for special purposes. Revenues from vending machines, donations, and Adopt-a-Duck are used for therapy supplies, poster contest awards, and other items. There is no staffing associated with this budget unit.

#### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	-	12,583	-	16,600
Total Revenue	1,251	1,000	1,216	3,800
Fund Balance		11,583		12,800

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET

##### PROGRAM CHANGES

None.

GROUP: Human Services System  
DEPARTMENT: Behavioral Health - Special Patient Account  
FUND: Special Revenue RMC MLH

FUNCTION: Health & Sanitation  
ACTIVITY: Health Care

	<b>2002-03 Actuals</b>	<b>2002-03 Approved Budget</b>	<b>2003-04 Board Approved Base Budget</b>	<b>2003-04 Board Approved Changes to Base Budget</b>	<b>2003-04 Final Budget</b>
<b><u>Appropriation</u></b>					
Services and Supplies	-	12,583	12,583	4,017	16,600
Total Appropriation	-	12,583	12,583	4,017	16,600
<b><u>Revenue</u></b>					
Other Revenue	1,216	1,000	1,000	2,800	3,800
Total Revenue	1,216	1,000	1,000	2,800	3,800
Fund Balance		11,583	11,583	1,217	12,800

##### **Board Approved Changes to Base Budget**

Services and Supplies	<u>4,017</u>	Increase special deptmental expense to align with available funding.
Total Appropriation	<u>4,017</u>	
Revenue		
Other Revenue	<u>2,800</u>	Increase in anticipated donations.
Total Revenue	<u>2,800</u>	
Fund Balance	<u>1,217</u>	

## OVERVIEW OF BUDGET

DEPARTMENT: CHILD SUPPORT SERVICES  
DIRECTOR: CORY NELSEN  
BUDGET UNIT: AAA DCS

### I. GENERAL PROGRAM STATEMENT

Title IV-D of the Federal Social Security Act, which was originally enacted in 1975, governs the County Child Support Enforcement Program. Federal regulations require that the program be administered at the state level by a single agency, which, in turn, may contract with counties to conduct the enforcement program. Federal financial participation consists of payment of 66% of program costs and payment of graduated incentives to states for meeting program objectives. The balance of allowable county expenditures is reimbursed by the state. Basic program activities include locating absent parents, establishment of paternity, establishment of support orders pursuant to state guidelines, enforcement of support obligations, modification of support obligations when needed, and collection and distribution of support payments.

### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	31,995,423	40,798,946	38,845,942	39,889,326
Total Revenue	31,914,757	40,798,946	38,869,853	39,889,326
Local Cost	80,666	-	(23,911)	-
Budgeted Staffing		649.7		565.0
<b><u>Workload Indicators</u></b>				
Collections	\$123,250,485	\$141,130,000	\$129,977,528	\$135,000,000
Open Cases	166,987	151,000	162,785	160,000
Cases per Officer	732	583	733	842

Services and supplies expenditures were under budget by approximately \$0.9 million. This was due to one-time costs allocated for expenditures for the new office in Victorville that was expected to open during 2002-03. Some costs were not incurred in 2002-03 due to delays in securing building permits. They include communication/data equipment such as patch panels, digital phone instruments and infrastructure costs (such as T-1 lines) and Cisco switches and servers.

Salaries and benefits expenditures were under budget by approximately \$1.0 million. Prior to the end of the fiscal year, the department learned that 2003-04 funding would be reduced. As a result, DCSS instituted a hiring freeze and implemented measures for further staffing reductions.

The Child Support program is a state and federal reimbursement program and revenues received to reflect actual expenditures.

### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

#### **STAFFING CHANGES**

Changes in budgeted staffing decreased by a net of 84.7 budgeted positions due to increased MOU-related costs, staffing reclassifications from 2001-02 per Board item #02-045 dated May 21, 2002, and an anticipated decrease in state funding for 2003-04.

## **CHILD SUPPORT SERVICES**

Net reduction of 3.0 in budgeted staffing due to reclassifications:

- Reclassification from 1.0 Supervising Child Support Field Investigator, 2.0 Child Support Field Investigators, 5.0 Investigative Technicians and 3.0 Clerk IIIs to 11.0 Child Support Officer Is.
- Reclassification from 8.0 Clerk IIIs and 6.0 Clerk IIs to 14.0 Child Support Assistants; reclass from 3.0 Clerk IVs to 3.0 Staff Aides; reclass from 1.0 Clerk IVs and 1.0 Chief Clerk to 2.0 Secretary Is.

Of these reclassified positions, 2.0 Child Support Assistants and 1.0 Staff Aide were eliminated due to funding restrictions.

Net reduction of 147.0 in budgeted staffing for vacant positions being deleted due to elimination of the vacancy factor are: 12.0 Child Support Officer IIs, 10.0 Child Support Assistants, 33.0 Child Support Officer Is, and 26.0 Clerk IIs.

Net reduction of 66.0 in budgeted staffing for positions that are vacant and being eliminated are: 1.0 Supervising Child Support Officer, 5.0 Automated Systems Technicians, 1.0 Automated Systems Analyst, 1.0 Child Support Assistants, 1.0 Assistant Operations Manager, 1.0 Compliance Officer, 1.0 Operations Manager, 1.0 Media Specialist, 4.0 Staff Development Specialists, 1.0 Chief Clerk, 29.0 Clerk IIs, 2.0 Clerk IVs, 1.0 Executive Secretary, 3.0 Investigative Technicians, 4.0 Paralegals, 1.0 Fiscal Clerk II, 1.0 Clerk III, 39.0 Child Support Officer Is, and 33.0 Child Support Officer IIs.

One Deputy District Attorney IV position has been funded in 2003-04; this position was actually underfilled in June 2002 by a Child Support Attorney III.

Net reduction of 21.0 in budgeted staffing due to the deletion of all extra help positions. Ten Fiscal Clerk II positions and 11.0 Public Service Employees have been eliminated.

The vacancy factor of 118.0 has been eliminated.

### **PROGRAM CHANGES**

Salaries and benefits are expected to increase due to MOU provisions and increased retirement contributions, even though budgeted positions have decreased by 84.7 positions. Given budget constraints, all overtime will be suspended effective July 1, 2003 and all vacant and extra help positions have been eliminated.

The state budget crisis has forced the department to reallocate and realign resources to salaries and benefits where it is needed most. In 2002-03 approximately \$2.1 million was allocated in services and supplies and fixed assets for one-time expenditures for a build-to-suit facility in the high desert near the Victorville courthouse. This allocation has been moved to fund projected increases in salaries and benefits for 2003-04.

Other major budget changes include COWCAP increases of \$76,052, as well as decreases totaling approximately \$100,000 in hardware and software expenditures, training, and other services and supplies categories. Temporary help was reduced by \$100,000 to \$0 for 2003-04. Effective 2002-03, the department suspended use of all temporary help services to ensure compliance with County policies. These expenditure reductions will assure a budget that is cost effective.

In addition to reductions in services and supplies, no fixed asset equipment purchases have been budgeted for 2003-04.

Interfund transfers out have increased overall by approximately \$495,651. These changes represent increases in EHAP costs (GASB 34 Accounting Change), HSS ITSD and Administration costs, and an expected increase of \$369,408 in lease costs due primarily to the new Victorville facility.

The Child Support Services program is 100% funded by state and federal reimbursement. Revenue has been reduced to reflect budgeted reductions in allocations.

# CHILD SUPPORT SERVICES

GROUP: Human Services System  
DEPARTMENT: Child Support Services  
FUND: General AAA DCS

FUNCTION: Public Protection  
ACTIVITY: Child Support

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b>Appropriation</b>					
Salaries and Benefits	27,727,973	28,712,774	29,591,380	(139,447)	29,451,933
Services and Supplies	7,914,415	8,536,938	6,817,463	114,461	6,931,924
Central Computer	481,047	481,047	361,631	-	361,631
Equipment	206,367	420,000	-	-	-
Other Charges	2,516,140	2,648,187	3,118,852	24,986	3,143,838
Total Appropriation	38,845,942	40,798,946	39,889,326	-	39,889,326
<b>Revenue</b>					
State, Fed or Gov't Aid	38,869,853	40,798,946	39,889,326	-	39,889,326
Total Revenue	38,869,853	40,798,946	39,889,326	-	39,889,326
Local Cost	(23,911)	-	-	-	-
Budgeted Staffing		649.7	649.7	(84.7)	565.0

## Total Changes Included in Board Approved Base Budget

Salaries and Benefits	971,848 MOU.
	1,734,620 Retirement.
	55,927 Workers' Compensation.
	(1,883,789) Decreases ins taffing due to reduced funding.
	<u>878,606</u>
Services and Supplies	(1,682,623) Decreases due to elimination of one-time costs in 2002-03 for Victorville.
	(12,095) Risk Management Liabilities.
	(24,757) Other decreases.
	<u>(1,719,475)</u>
Central Computer	<u>(119,416)</u>
Equipment	<u>(420,000)</u> One-time costs in 2002-03 due to Victorville.
Transfers	470,665 Increase in transfers due to additional lease costs for Victorville, Rancho, Redlands Offices.
	<u></u>
<b>Revenue</b>	
State, Fed or Gov't Aid	<u>(909,620)</u> Decrease in revenue to match appropriations.
	<u></u>
Total Appropriation Change	(909,620)
Total Revenue Change	(909,620)
Total Local Cost Change	-
Total 2002-03 Appropriation	40,798,946
Total 2002-03 Revenue	40,798,946
Total 2002-03 Local Cost	-
Total Base Budget Appropriation	39,889,326
Total Base Budget Revenue	39,889,326
Total Base Budget Local Cost	-

## CHILD SUPPORT SERVICES

Board Approved Changes to Base Budget		
Salaries & Benefits	<u>(139,447)</u>	Net decrease due to staffing reductions.
Services & Supplies	<u>76,052</u>	COWCAP increase.
	<u>(189,832)</u>	Decrease in hardware purchases for 2003-04.
	<u>295,151</u>	Increase of \$231,151 to professional services (15%) + \$64,000 estimated for case file process
	<u>(66,910)</u>	Net decreases in miscellaneous service and supplies categories.
	<u>114,461</u>	
Transfers	<u>24,986</u>	Net increase in ISF department costs.
Total Appropriation	<u>-</u>	
Total Revenue	<u>-</u>	
Local Cost	<u>-</u>	

## OVERVIEW OF BUDGET

DEPARTMENT: HEALTH CARE COSTS  
BUDGET UNIT: AAA HCC

### I. GENERAL PROGRAM STATEMENT

This budget unit represents the costs of health care related programs for the county general fund. Health care related transactions represented by this budget unit include the Disproportionate Share Hospital (DSH) Supplemental Payments Programs (SB 855, SB 1255, and Graduate Medical Education (GME)), Realignment “AB 8” match, and the county’s contribution for Arrowhead Regional Medical Center debt service payments. Summary information regarding key components of this budget unit appears below.

#### **Disproportionate Share Hospital Programs**

The DSH programs were established to provide supplemental Medi-Cal payments to hospitals that provide services to disproportionate numbers of Medi-Cal and other low-income patients. These programs assist safety net hospitals in meeting the uncompensated costs associated with providing medical services to uninsured and underinsured patients. These programs are mechanisms for distributing federal health care funds. The programs require the county to transfer general fund dollars (shown in this budget unit as Other Charges) to the state. Through a matching process, the county receives back its initial contribution, which is recorded in this budget unit as Current Services revenue. In addition to the return of the initial contribution, the county receives federal health dollars which are accounted for in the ARMC budget. The level of the county’s contribution is set during the year by the state. As a result, the amounts only represent estimates of the funds needed at the time the budget is prepared. In a similar fashion, the ARMC budget cannot fully reflect the amount of federal health dollars received via DSH programs until the county is notified of the matching amounts during the course of the Fiscal Year. The DSH program comprises two elements:

- The SB 855 program provides supplemental payments to hospitals that serve a disproportionate number of low-income individuals. Public entities are required to transfer funds to the State Department of Health Services by an intergovernmental transfer. These funds are matched with federal funds and redistributed as supplemental payments to all eligible hospitals including non-public hospitals. A hospital may receive DSH payments if its Medi-Cal utilization rate exceeds an established threshold or it uses a designated percentage of its revenues to provide health care to Medi-Cal and uninsured patients.
- The SB 1255 program supplements eligible hospitals that are licensed to provide emergency medical services and contract with the California Medical Assistance Commission (CMAC) to serve Medi-Cal patients under the Selective Provider Contracting Program. Intergovernmental transfers are also made. These funds are combined with matching federal funds and redistributed by CMAC as supplemental payments to hospitals demonstrating a need for additional funds. CMAC ultimately determines the amount received by each participating hospital.

The GME program is part of the SB 1255 program and it provides supplemental payments to DSH hospitals that are also a teaching facility/institute. Payments are determined solely by CMAC and the amount can vary from year to year. Similar to other SB 1255 revenues, the amount actually received is determined by the state during the course of the fiscal year.

#### **Realignment and General Fund Support**

General fund support and realignment funds are used to pay for the ARMC debt service lease payments, Realignment “AB 8” match and administrative costs related to this budget unit. Note: Specific details regarding the financing sources which are used to cover the county’s \$53.1 million annual debt service obligation for the ARMC facility are provided in the ARMC Lease Payments (EMD JPL) section of the budget book.

## HEALTH CARE COSTS

To qualify for receipt of Health Realignment funding from the state, the county must contribute a “match” of local funds. The matching amount is based on a formula, established through AB 8 in 1979, through which the state provided funding to preserve critical health programs in the aftermath of Proposition 13. When the Realignment program was created in 1991, funding allocations were based on the historical AB 8 formula, and local match requirements remained. The county's match requirement for 2003-04 is \$4.3 million; this amount remains constant each year per the historical formula. The Realignment match funded in the Health Care Costs budget meets the County's full obligation to receive Health Realignment dollars which support the Public Health Department and Arrowhead Regional Medical Center. For 2003-04, the county anticipates receipt of approximately \$51.0 million in Health Realignment funding. Important note: The local match requirement for receipt of Mental Health Realignment funding is reflected in the operating budget for the Department of Behavioral Health.

Realignment funds support this budget as follows:

- Mental Health at 3% (which covers half of administrative costs).
- Health at 97% (which covers half of administrative costs plus debt service payments).

The amounts listed as “Operating Transfers Out” represent the county's net debt service obligation for the payment of the Arrowhead Regional Medical Center facility (\$20.7 million) and the required Realignment “AB 8” match (\$4.3 million) which must by law be transferred into trust before Realignment monies can be directed toward health programs.

## II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Requirements	170,638,249	135,600,146	118,341,508	135,628,083
Total Revenue	151,094,038	117,900,146	100,641,507	120,628,083
Local Cost	19,544,211	17,700,000	17,700,001	15,000,000
Budgeted Staffing		4.0		4.0

Increased 2002-03 services and supplies expenditures reflect one-time costs to provide Health Insurance Portability and Accountability Act (HIPAA) training for county employees.

There is a significant variance in Other Charges (\$15.0 million) as the county's requirement to transfer funds to participate in the Disproportionate Share Hospital programs is not determined until later in the fiscal year. Since these expenses are fully offset by an equivalent amount of revenue (recorded as current services), any variance has no impact on local cost.

Operating transfers out and realignment are lower than anticipated as a result of a higher reimbursement rate from the state.

## III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

### STAFFING CHANGES

None.

### PROGRAM CHANGES

Use of Realignment funding has been increased by approximately \$2.7 million out of which \$2,643,434 is related to the decrease in local cost contribution for debt service payments and \$59,780 is primarily due to increases in services and supplies for expenses related to Health Insurance Portability and Accountability Act (HIPAA).

## HEALTH CARE COSTS

GROUP: Human Services System  
DEPARTMENT: Health Care Costs  
FUND: General AAA HCC

FUNCTION: Health & Sanitation  
ACTIVITY: Hospital Care

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b>Appropriation</b>					
Salaries and Benefits	377,298	408,183	433,289	-	433,289
Services and Supplies	985,900	73,063	73,019	59,933	132,952
Other Charges	94,510,731	110,000,000	110,000,000	-	110,000,000
Equipment	80,264	-	-	-	-
Transfers	73,551	71,302	71,213	(153)	71,060
Total Appropriation	96,027,744	110,552,548	110,577,521	59,780	110,637,301
Operating Transfer Out	22,313,764	25,047,598	22,347,598	2,643,184	24,990,782
Total Requirements	118,341,508	135,600,146	132,925,119	2,702,964	135,628,083
<b>Revenue</b>					
Current Services	94,510,731	110,000,000	110,000,000	-	110,000,000
Realignment	6,130,776	7,900,146	7,925,119	2,702,964	10,628,083
Total Revenue	100,641,507	117,900,146	117,925,119	2,702,964	120,628,083
Local Cost	17,700,001	17,700,000	15,000,000	-	15,000,000
Budgeted Staffing		4.0	4.0		4.0
<b>Total Changes Included in Board Approved Base Budget</b>					
Salaries and Benefits		8,349	MOU.		
		16,358	Retirement.		
		399	Risk Management Workers' Comp.		
		25,106			
Services and Supplies		(44)	Risk Management Liabilities.		
Transfers		(89)	Incremental Change in EHAP.		
Operating Transfers Out		(2,700,000)	Reduced local cost.		
<b>Revenue</b>					
Realignment		24,973	Change in use of realignment funds to cover salaries and benefits, and services and supplies costs.		
Total Requirements Change	(2,675,027)				
Total Revenue Change	24,973				
Total Local Cost Change	(2,700,000)				
Total 2002-03 Requirements	135,600,146				
Total 2002-03 Revenue	117,900,146				
Total 2002-03 Local Cost	17,700,000				
Total Base Budget Requirements	132,925,119				
Total Base Budget Revenue	117,925,119				
Total Base Budget Local Cost	15,000,000				
<b>Board Approved Changes to Base Budget</b>					
Services and Supplies	(782)		GASB 34 Accounting Change (EHAP).		
	60,715		Expected costs increases related to Health Insurance Portability and Accountability Act.		
	59,933				
Transfers	782		GASB 34 Accounting Change (EHAP).		
	(935)		Decrease in costs for Human Services System Administrative support.		
	(153)				
Total Appropriation	59,780				
Oper Transfers Out	2,643,184		Increased due to a reduction of local cost contribution for Arrowhead Regional Medical Center (ARMC) debt service lease payments.		
Total Requirements	2,702,964				
Revenue					
Realignment	2,643,184		Increased use of realignment funds to cover ARMC debt service payments.		
	59,780		Increased use of realignment funds to cover services and supplies, and transfer costs.		
	2,702,964				
Total Revenue	2,702,964				
Local Cost	-				



## OVERVIEW OF BUDGET

**DEPARTMENT: HUMAN SERVICES SYSTEM**  
**ASSISTANT COUNTY ADMINISTRATOR: CAROL ANSELM**

The Human Services System (HSS) is composed of eight county departments: Behavioral Health, Public Health, Children's Services, Transitional Assistance, Aging and Adult Services, Preschool Services, Child Support Services, and Veterans Affairs; and three subdivisions: HSS Management Services, HSS Information Technology and Support, and HSS Performance, Education and Resource Center (PERC). Children's Services, Transitional Assistance, Adult Services, and all HSS subdivisions are included in the HSS administrative claim process. The purpose of the claim process is to provide the county with the means for determining the costs applicable to each of the numerous welfare programs. This cost determination is necessary to satisfy federal and state reporting and funding requirements, and to determine appropriate federal and state financial reimbursement to the county for each of the welfare programs. Subsistence payments and aid to indigents are either direct payments to welfare recipients or payments to organizations that provide service to the welfare recipients. The HSS Assistant County Administrator is responsible for the following budget units that encompass several HSS departments: Administrative Claim, Subsistence Payments, and Aid to Indigents.

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	<b>2003-04 Budget</b>			
	<b>Appropriations</b>	<b>Revenue</b>	<b>Local Cost</b>	<b>Staffing</b>
Administrative Claim	297,664,713	286,197,963	11,466,750	3,422.7
Subsistence Payments	434,096,671	412,619,746	21,476,925	-
Aid to Indigents	1,275,123	330,986	944,137	-
<b>TOTAL</b>	<b>733,036,507</b>	<b>699,148,695</b>	<b>33,887,812</b>	<b>3,422.7</b>

## HUMAN SERVICES SYSTEM

### BUDGET UNIT: ADMINISTRATIVE CLAIM (AAA DPA)

#### I. GENERAL PROGRAM STATEMENT

This budget unit represents the administrative claim made by the county for social services programs under applicable mandatory federal and state regulations. Included are Transitional Assistance Department (TAD-Eligibility and Employment Services), Department of Children's Services (DCS), Adult Services programs of the Department of Aging and Adult Services (DAAS), the Performance, Education and Resource Center (PERC), and the Administrative Support functions provided by HSS Administration.

#### II. BUDGET & WORKLOAD HISTORY

	<u>Actual 2001-02</u>	<u>Budget 2002-03</u>	<u>Actual 2002-03</u>	<u>Budget 2003-04</u>
Total Requirements	296,649,933	331,489,425	304,003,111	297,664,713
Total Revenue	283,507,186	319,725,182	291,758,831	286,197,963
Local Cost	13,142,747	11,764,243	12,244,280	11,466,750
Budgeted Staffing		4,409.1		3,422.7
<b><u>Workload Indicators</u></b>				
TAD Average Monthly Caseload	170,768	172,000	171,994	197,120
DCS Referrals - Annual	63,645	62,105	53,811	63,825
DCS Average Monthly Caseload	7,945	8,642	7,224	8,642
IHSS Average Monthly Caseload	12,449	13,523	13,687	14,163
IHSS Annual Paid Hours	11,771,679	13,045,883	13,530,196	14,596,235

Allocations received from the state in September 2002 resulted in significant changes to funding levels for many programs included in this budget unit. To address the net decrease in allocations HSS implemented cost saving measures including a hiring freeze, reduction of services, supplies and equipment purchases and cuts of funding available to contractors. These cost saving measures were quantified in the Adjustments to 2002-03 Final Budget For The Human Services System Administrative Claim Budget Unit presented to and approved by the Board of Supervisors as Item #68 on November 5, 2002. This action reduced appropriations and revenue by \$20.4 million. This decrease was offset by a \$2.3 million appropriation and revenue increase for IHSS Provider Payments. Budgeted staffing was reduced by 233.6 positions for 2002-03.

Actual expenditures and revenue for 2002-03 reflect the effect of funding reductions and the cost saving measures that were implemented. Overall, expenditures were \$27.5 million less than budgeted.

- Costs of salary and benefits were \$17.1 million less than budgeted. This reflects the effect of staff attrition coupled with the hiring freeze. At year-end, staffing levels were down an additional 477 positions below the cuts made in the November 5, 2002 Adjustment.
- Costs of services and supplies were \$3.5 million less than budgeted. This reflects the efforts made to remain within the appropriation levels approved in the November 5, 2002 Adjustment.
- Costs of program contracts, public assistance, other support and care and net transfers to other county departments were \$3.7 million less than budgeted. This also reflects the efforts made to remain within the appropriation levels approved in the November 5, 2002 Adjustment.
- Costs of fixed assets were \$3.0 million less than budgeted. This is because 1) fewer photocopiers were purchased than budgeted resulting in savings of \$0.6 million, 2) no vehicles were purchased resulting in savings of \$1.8 million and 3) less lease-purchased computer equipment was acquired than budgeted resulting in savings of \$0.6 million.
- Costs of operating transfers out were \$0.2 million more than budgeted. This was a result of a transfer for a prior year's expenditure that was processed in 2002/03.
- Revenue receipts decreased commensurately with the decrease in expenditures.

Local cost exceeded target by \$0.5 million. This can be attributed to expenditures exceeding the state allocation for DAAS's Adult Protective Services program and DCS's Adoptions program. Some of these costs may be reimbursed by the state in a future 2003 statewide allocation process.

## **HUMAN SERVICES SYSTEM**

On March 11, 2003 the Board approved Item #59, Structural Reorganization and Transition of the CalWORKs Division. This item transitioned CalWORKs Welfare to Work programs administered by JESD into TAD. This action will allow TAD to consolidate and more efficiently deliver CalWORKs services to clients. Because CalWORKs funding was sufficient for the balance of 2002-03, staffing levels were not adjusted as a result of this reorganization; however, significant staffing reductions will be required in this program in 2003-04. Negative effects on service delivery that might result from further funding reductions and increased staffing costs in 2003-04 may be less severe because of economies realized from this transition.

### **III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachment for detailed changes)**

#### **REQUIREMENTS**

Anticipated allocation reductions (primarily in the loss of CalWORKs Incentive funds), coupled with increased staffing costs and required increases in the cost of county services, forced HSS to implement further budgeted staffing and expenditure reductions for 2003-04. Appropriations will decrease a total of \$33.8 million between budget years. Highlights of the changes are as follows:

- Overall, staffing has been reduced 986.4 budgeted positions from the 2002-03 final budget. This represents a further reduction of 752.8 positions beyond the cut of 233.6 positions made in the November 5, 2002 Adjustment. Much of this reduction has been accomplished through the attrition of current staff. Remaining necessary reductions will be made through the layoff of staff in 2003-04.
- Salary and Benefit costs have been reduced \$15.7 million. This relatively small cost saving in relation to the large reduction of budgeted positions is attributable to a 16% to 20% increase in staffing costs. This increase in costs is a combination of negotiated MOU increases, salary step increases, and retirement contribution increases and worker's compensation cost increases.
- Services and supplies and central computer costs have been reduced \$8.6 million, despite a \$1.1 million increase in COWCAP charges.
- Other charges for services to clients will decrease \$1.1 million. Costs of providing supportive services to clients have been reduced \$9.6 million. These cuts are offset by a required increase of \$8.5 million for IHSS provider payments.
- Equipment costs have been reduced \$4.3 million. No photocopiers or vehicles will be purchased in 2003-04. Payments for a large lease/purchase made in 1999-2000 ended in 2002-03.
- Transfers to reimburse other county departments for services provided have been reduced \$1.3 million.
- Reimbursements from other county departments for services provided by HSS have been increased \$0.7 million. This reflects the increase in support provided by HSS Administrative Support Division and HSS Information and Technology Support Division to other county departments.
- Operating transfers out decreased \$2.1 million. This is the net result of the completion of the transfer of \$3.7 million to the Capital Improvement Projects budget for the Juvenile Court Dependency building project, the addition of \$0.5 million for the local cost requirement of the IHSS Public Authority and the addition of \$1.0 million to provide medical benefits to IHSS providers as negotiated and approved by the Board.

#### **REVENUE**

Available federal and state revenue will decline \$40.3 million from 2002-03 levels. This is primarily a result of the loss of CalWORKs funding. Significant revenue changes between budget years are as follows:

- It is estimated that TAD programs will experience an overall loss of \$40.6 million in state and federal revenue. This is a result of the loss of \$21.8 million in CalWORKs Incentive funding, \$12.2 million in other CalWORKs funding, \$1.2 million in Food Stamp Administration funding, \$6.0 million in Medi-Cal Administration funding and an increase of \$0.9 million in funding for various other programs.
- It is estimated that DCS programs will experience an increase of \$0.1 million.
- It is estimated that DAAS programs will experience an increase of \$0.2 million.

#### **LOCAL COST**

All HSS programs are state and/or federal mandates and the county share of funding is either mandated as a percentage of total program costs or as maintenance of effort. County share is comprised of a combination of local funding sources and revenue from the Social Services Sales Tax Trust. The Social Services Sales Tax Trust was created during the State Tax Realignment process to offset local cost and is limited to use for designated social services programs.

## HUMAN SERVICES SYSTEM

In aggregate the HSS Administrative Claim Budget Unit requires a net additional county share of cost of \$6,323,781. No additional General Fund Local Cost will be required next year, as this amount will be provided from the Social Services Sales Tax Trust. Changes to local funding requirements are as follows:

- TAD programs will require \$0.4 million less county share. Despite the \$39.3 million loss of revenue only a very small amount of county share will be saved because most TAD programs require a fixed MOE as county share. Anticipated revenue from various small programs is expected to reduce local cost \$0.4 million.
- DCS programs will require \$0.7 million more county share. This increase is primarily a result of a decrease in the federal sharing ratio. A decrease in federal revenue requires additional county share to sustain program allocations at present levels.
- DAAS-IHSS Administration will require \$0.6 million less county share. A local share overmatch budgeted in 2002-03 to meet projected expenditures above allocation levels is no longer necessary.
- DAAS-Aging programs will require \$0.1 million more county share because of a required local share for a new program, Title III-E-Family Caregiver Program.
- DAAS-IHSS provider payments will require \$10.1 million more local funding. This increase is due to negotiated wage increases and medical benefits approved by the Board and an increase in caseload and paid hours for services provided to clients.
- \$3.6 million less local funding will be required because all HSS obligations relating to the construction of a new Juvenile Dependency Court facility will be satisfied in 2002-03.

The need for additional revenue from the Social Services Sales Tax Trust is driven by the increase in county share of cost for programs as outlined above and the practice of financing all local share increases and local financing decreases with revenue from the Social Services Sales Tax Trust. Total additional revenue required from the Trust is \$6.6 million. This represents the net effect of increased local share and local funding lost as a result of the 4% and 30% spend-down plans.

Due to declining sales tax revenues, and the fact that growth will now occur on a lower base amount, it will soon be impossible for Realignment to continue to fund all of the additional costs associated with mandated HSS programs. The draw on the Social Services Sales Tax Trust has begun to increase rapidly and is projected to continue to increase at a pace that will soon surpass receipts. When this occurs (perhaps as early as 2004-05), local county general fund dollars will then be required to pay for any mandated HSS program costs that cannot be covered by the Social Services Sales Tax Trust.

## HUMAN SERVICES SYSTEM

Departments included in the Administrative Claim budget unit are summarized as follows:

### FUNDING BY PROGRAM

#### Included in the Administrative Claim

Transitional Assistance Department	Appropriation	Revenue	Local Share	Staffing
CalWorks - Eligibility	35,137,816	29,058,958	6,078,858	457.0
Food Stamps	28,890,872	25,029,741	3,861,131	376.0
CalWorks - Welfare to Work	37,182,589	37,182,589	-	407.0
Medi-Cal	35,286,789	35,286,789	-	459.0
Foster Care Administration	4,715,480	4,008,158	707,322	61.0
Child Care Administration	15,939,372	15,926,219	13,153	207.0
CalWorks - Mental Health	4,714,587	4,714,587	-	-
Cal-Learn	2,061,519	2,061,519	-	27.0
C-IV Consortium Funding	2,071,747	2,071,747	-	19.0
CalWorks - Incentive Funds	-	-	-	-
General Relief Administration	513,410	-	513,410	6.7
Other Programs	3,179,466	3,797,355	(617,889)	-
<b>Total</b>	<b>169,693,647</b>	<b>159,137,662</b>	<b>10,555,985</b>	<b>2,019.7</b>
Department of Children's Services	Appropriation	Revenue	Local Share	Staffing
Child Welfare Services	68,948,613	59,338,891	9,609,722	816.0
Promoting Safe and Stable Families	2,535,332	2,535,332	-	-
Foster Training and Recruitment	228,500	228,500	-	3.0
Licensing	1,109,541	1,109,541	-	-
Support and Therapeutic Options Program	863,757	604,630	259,127	-
Adoptions	3,040,218	3,040,218	-	36.0
ILP	2,230,076	2,230,076	-	4.0
Other Programs	1,883,810	1,778,822	104,988	4.0
<b>Total</b>	<b>80,839,847</b>	<b>70,866,010</b>	<b>9,973,837</b>	<b>863.0</b>
Aging and Adult Services	Appropriation	Revenue	Local Share	Staffing
In-Home Supportive Services	10,950,411	9,460,377	1,490,034	127.3
Adult Protective Services	4,510,171	4,286,274	223,897	52.4
IHSS Provider Payments	28,867,668	-	28,867,668	-
IHSS Provider Benefits	1,000,000	-	1,000,000	-
Contribution to Aging	420,906	-	420,906	-
IHSS PA	498,432	-	498,432	-
Other Programs	-	-	-	-
<b>Total</b>	<b>46,247,588</b>	<b>13,746,651</b>	<b>32,500,937</b>	<b>179.7</b>
Administration				Staffing
				<b>360.3</b>
Non Revenue Generating Costs	Appropriation	Revenue	Local Share	Staffing
PERC Training Expense	150,000	-	150,000	-
PERC Ethics Training	195,000	-	195,000	-
LLUMC - Child Assess Center	140,000	-	140,000	-
Other	398,631	-	398,631	-
<b>Total</b>	<b>883,631</b>	<b>-</b>	<b>883,631</b>	<b>-</b>
<b>Total Local Share</b>			<b>53,914,390</b>	<b>3,422.7</b>
<b>Social Services Realignment</b>		<b>42,447,640</b>	<b>(42,447,640)</b>	
<b>Grand Total Administrative Budget</b>	<b>297,664,713</b>	<b>286,197,963</b>	<b>11,466,750</b>	<b>3,422.7</b>

This budget was developed based on estimated funding allocations. Actual allocations will not be known until the state budget process is complete. Any necessary adjustments will be submitted to the Board of Supervisors as a mid-year adjustment to the 2003-04 Final Budget.

## **HUMAN SERVICES SYSTEM**

Changes to the Administrative budget by department are discussed as follows:

### **TRANSITIONAL ASSISTANCE DEPARTMENT (TAD)**

#### **GENERAL PROGRAM STATEMENT**

**TAD** is responsible for the administration of the financial support programs that assist the needy with basic services. The primary services provided include: Transitional Assistance to Needy Families (TANF), food stamps, Medi-Cal, child care, general assistance and the CalWORKs – Welfare To Work Program. CalWORKs – Welfare To Work assists qualified participants by providing remedial and/or basic education, vocational or on-the-job training to prepare participants to enter the job market. Participants receive supplemental funding for ancillary, childcare, and transportation costs during their active participation in the program. Failure to comply with program requirements results in loss or reduction of the participants' TANF subsistence payments.

All programs are funded by a combination of federal, state, and county dollars, with the exception of the general assistance program, which is funded solely by the county. The goals of the Transitional Assistance Department are to meet the basic needs of families and individuals while working with them to attain self-sufficiency, and to promote work and personal responsibility.

#### **STAFFING CHANGES**

**TAD** staffing changes necessitate a reduction of 449.1 budgeted positions, which includes the following:

- Reduction of 166.5 various budgeted staff of which 7.5 are supervisory budgeted positions. These positions were removed in the Adjustment to 2002-03 Final Budget Board Agenda Item presented to and approved by the Board of Supervisors as Item #68 on November 5, 2002.
- Reduction of 17.5 budgeted temporary Public Service Employees (PSE) hired to work with the Welfare Data Tracking Information Program (WDTIP), which was completed in October 2002.
- Reduction of 36.0 budgeted temporary Public Service Employees hired as Spanish translators.
- Reduction of 88.6 budgeted clerical staff of which 1.0 is a supervisory budgeted position, due to cuts in funding and increased staffing costs.
- Reduction of 136.5 budgeted casework staff of which 25.0 are supervisory budgeted positions, due to cuts in funding and increased staffing costs.
- Reduction of 4.0 budgeted administrative support staff of which 2.0 are supervisory budgeted positions, due to cuts in funding and increased staffing costs.

**TAD-Employment Services** staffing changes necessitate a reduction of 262.0 budgeted positions, which includes the following:

- Reduction of 9.5 various budgeted staff. These positions were removed in the Adjustment to 2002-03 Final Budget Board Agenda Item presented to and approved by the Board of Supervisors as Item #68 on November 5, 2002.
- Reduction of 8.5 budgeted temporary JTPA – Summer Youth Aide positions transferred to SAC JOB.
- Reduction of 3.0 budgeted temporary Public Service Employees.
- Reduction of 51.0 budgeted clerical staff of which 5.0 are supervisory budgeted positions, due to cuts in funding and increased staffing costs.
- Reduction of 175.0 budgeted casework staff of which 20.0 are supervisory budgeted positions, due to cuts in funding and increased staffing costs.
- Reduction of 15.0 budgeted administrative support staff of which 5.0 are supervisory budgeted positions, due to cuts in funding and increased staffing costs.

The budget includes a \$1.2 million increase in salary reimbursements from the Department of Behavioral Health (DBH) that allows for the retention of 28.0 positions. A new Memorandum of Understanding (MOU) between TAD and DBH had been created that calls for 28.0 HSS positions to be placed in DBH clinics, costs of which would have been fully reimbursed by DBH. However, because of additional fiscal limitations now anticipated at DBH next year, the department has indicated that it intends to scale down the original MOU and proceed with a modified MOU for 12.0 positions valued at \$583,000. Any necessary budget adjustments resulting from the revised MOU will be reflected in the 2003-04 HSS mid-year budget adjustment.

#### **PROGRAM CHANGES**

Anticipated decrease in availability of CalWORKs funding and increased staff costs necessitates the reduction of staffing levels, services and supplies and some supportive services provided to participants. The net

## **HUMAN SERVICES SYSTEM**

decrease of \$40.3 million results in a small savings to local cost because allocations for TAD programs require a set local share Maintenance of Effort (MOE) that does not change as allocations change.

### **DEPARTMENT OF CHILDREN'S SERVICES (DCS)**

#### **GENERAL PROGRAM STATEMENT**

**DCS** is a collection of programs aimed at reducing the occurrence of child abuse and neglect in San Bernardino County. The primary goal of these programs is maintaining families whenever possible. When not possible, the secondary goal is to provide the best permanent plan for the child removed from his or her caretaker.

To accomplish the mission of **DCS**, a wide variety of services are offered. Child Protective Services is the program with the highest visibility, with the goal of prevention of abuse to minors and the protection of those abused. Adoptions, family preservation, family support, and foster home licensing are the primary support programs to Child Protective Services.

#### **STAFFING CHANGES**

**DCS** staffing changes necessitate a net reduction of 58.0 budgeted positions, which includes the following:

- Addition of 21.5 various budgeted staff. These positions were added in the Adjustment to 2002-03 Final Budget Board Agenda Item presented to and approved by the Board of Supervisors as Item #68 on November 5, 2002.
- Reduction of 18.0 budgeted temporary Public Service Employees.
- Reduction of 12.0 budgeted clerical staff of which 1.0 is a supervisory budgeted position, due to cuts in funding and increased staffing costs.
- Reduction of 30.0 budgeted casework staff of which 4.0 are supervisory budgeted positions, due to cuts in funding and increased staffing costs.
- Reduction of 19.5 budgeted administrative support staff of which 1.0 is a supervisory budgeted position, due to cuts in funding and increased staffing costs.

#### **PROGRAM CHANGES**

Late in 2002-03 the federal participation rate for Child Welfare Services funding decreased from 78% to 76% requiring a local cost increase of \$728,689. Increased staff costs and stagnation in Child Welfare Services funding necessitates the reduction of staffing levels, services and supplies and some supportive services provided to participants.

### **DEPARTMENT OF AGING AND ADULT SERVICES (DAAS)**

#### **GENERAL PROGRAM STATEMENT**

The **Department of Aging and Adult Services (DAAS)** serves as the area agency on aging for this county under the provisions of federal law, which makes funds available to senior citizen programs. Area agencies on aging provide leadership for defining objectives, establishing priorities, and developing a system to deliver services to older people. DAAS has a separate consolidated budget for the state and federally funded aging programs, which is presented in its own section under Aging Programs. DAAS is also responsible for the In-Home Supportive Services (IHSS) and the Adult Protective Services (APS) programs, which are both budgeted in the Human Services System Administrative Claim budget.

The IHSS program provides personal and domestic services for aged, disabled and blind persons enabling them to remain in their own homes rather than being placed in institutions. The program is operated by the use of the individual provider mode, which is paid directly to the provider by the state. The state then invoices the county for its portion of the individual provider costs. In addition, the county incurs expenses for supervision and administration of the program. These expenses are reflected in the HSS Administrative Claim budget unit. The federal share represents Medicaid dollars made available through participation in the Personal Care Services Program (PCSP).

The APS program investigates and resolves reports on elder and dependent adult abuse. The program provides a wide variety of services in resolving and preventing exploitation or neglect. The services include the investigation of issues, developing a service plan, counseling, referring to other community resources including the IHSS program, monitoring the progress of the client, and following up with the client.

## HUMAN SERVICES SYSTEM

### **STAFFING CHANGES**

**DAAS** staffing changes necessitate a reduction of 61.3 budgeted positions, which includes the following:

- Reduction of 3.4 various budgeted staff. These positions were removed in the Adjustment to 2002-03 Final Budget Board Agenda Item presented to and approved by the Board of Supervisors as Item #68 on November 5, 2002.
- Reduction of 18.4 budgeted clerical staff of which 5.0 are supervisory budgeted positions, due to cuts in funding and increased staffing costs.
- Reduction of 28.0 budgeted casework staff of which 3.7 are supervisory budgeted positions, due to cuts in funding and increased staffing costs.
- Reduction of 11.5 budgeted administrative support staff of which 2.0 are supervisory budgeted positions, due to cuts in funding and increased staffing costs.

### **PROGRAM CHANGES**

Increased staff costs and stagnation of Adult Services funding necessitates the reduction of staffing levels and services and supplies expenditures.

IHSS - Individual Provider costs. This program is essentially an entitlement program that provides personal and domestic services for aged, blind and disabled persons, enabling them to remain in their homes rather than be institutionalized. In 2002-03 the IHSS providers unionized and successfully negotiated a 19.5% wage increase along with Board agreement to contribute a capped local share for provider medical benefits. Additionally, caseload growth in 2003-04 is expected to increase 11.8% over 2002-03. Local funding is required for the county share of the IHSS Individual Provider costs and the operating costs of the IHSS Public Authority. An additional \$10.1 million of local funding is necessary due to projected caseload growth in 2003-04 and the effects of the negotiated increase to staff costs.

Aging Programs – A temporary one-time shift of additional local county cost in the amount of \$974,137 was required to offset the estimated local cost need of Aging Programs in 2002-03. Realignment of staff, stagnation of funding streams and the need to fund service contracts at current levels contributed to the need for local funding to supplement traditional funding. Local funding was shifted from the HSS Administrative Claim budget and was replaced by revenue from the Social Services Sales Tax Trust. This \$974,137 in local funding will return to the HSS Administrative Claim budget in 2003-04. This increase in local funding is more than offset by local funding reductions due to the County's 4% and 30% reduction plans.

Historically, local cost has been given to the Aging budget through the HSS Administrative Claim budget to fund local match requirements in several Aging programs (Senior Employment, Supportive Services, Ombudsman, and Nutrition programs). In 2003-04, local cost budgeted in this budget unit will fund the following Aging programs:

Senior Employment Program	Local Share Match	36,000
Title III/VII Programs (Supportive Services Ombudsman, Nutrition)	Local Share Match	119,000
Title IIIE Family Caregiver Program	Local Share Match	117,906
Nutrition Program	Additional Local Share	148,000
Total		<u>420,906</u>

## **ADMINISTRATION AND SUPPORT DIVISIONS**

### **GENERAL PROGRAM STATEMENT**

HSS Administration and Support Divisions provide general administrative oversight and support functions to all departments included in the Administrative Claim. Support services are also provided to other HSS departments for purposes of continuity and economy of scale. Such services include budget analysis and coordination, facilities support, contract services support, agenda item coordination, special projects, auditing services, information technology and support, training, program legislation and research, and personnel services. Costs for these divisions are allocated to departments included in the HSS Administrative Claim budget and/or charged directly to departments not included.



## HUMAN SERVICES SYSTEM

### STAFFING CHANGES

**HSS Administration** staffing changes necessitate a net reduction of 156.0 budgeted positions, which includes the following:

- Reduction of 75.7 various budgeted staff of which 12.0 are supervisory budgeted positions. These positions were removed in the Adjustment to 2002-03 Final Budget Board Agenda Item presented to and approved by the Board of Supervisors as Item #68 on November 5, 2002.
- **Administrative Services Division** – reduction of 21.0 budgeted positions of which 2.0 are supervisory budgeted positions.
- **Auditing Division** – reduction of 4.5 budgeted positions.
- **Information Technology and Support Division** – net increase of 8.5 budgeted positions. This includes a transfer of 6.0 budgeted positions for the C-IV automation project that is now cost centered in ITSD (100% reimbursed by CIV State funding). Five budgeted positions have been added to provide programming support to HSS departments that was previously provided by ISD. One budgeted position has transferred from the SAC JOB budget unit to support the recent transfer of JESD staff. A reduction of 3.5 various budgeted positions due to funding reductions.
- **Performance Education Resource Center (PERC)** – reduction of 1.0 budgeted position. This reflects the removal of a PSE position.
- **Program Development Unit** – reduction of 2.5 budgeted positions.
- **Legislation and Research Division** – reduction of 0.8 budgeted position.
- **Program Integrity Division** – reduction of 51.0 budgeted positions of which 7.0 are supervisory budgeted positions.
- **HSS Personnel** – reduction of 5.5 budgeted positions.
- **Administration** – reduction of 2.5 budgeted positions.

### PROGRAM CHANGES

Increased staff costs and the net reduction of social services funding necessitates the reduction of staffing levels, services and supplies and equipment expenditures.

In 2003-04 PERC will be performing additional training that will generate an estimated \$335,000 in additional revenue. Courses include the HIPPA training program, sexual harassment training, training for the City of San Bernardino, Organizational Culture Survey and staff delivered computer courses.

GROUP: Human Services System DEPARTMENT: HSS Administration FUND: General AAA DPA			FUNCTION: Public Assistance ACTIVITY: Administration		
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b><u>Appropriation</u></b>					
Salaries and Benefits	187,406,038	204,475,524	196,292,937	(7,516,803)	188,776,134
Services and Supplies	35,121,518	38,577,490	32,257,276	(1,499,268)	30,758,008
Central Computer	3,597,860	3,597,860	2,810,896	-	2,810,896
Other Charges	40,677,586	45,372,304	46,778,656	(2,488,998)	44,289,658
Equipment	1,721,623	4,732,727	4,732,727	(4,346,518)	386,209
Transfers	32,511,856	32,464,384	28,256,591	2,919,627	31,176,218
Total Exp Authority	301,036,481	329,220,289	311,129,083	(12,931,960)	298,197,123
Reimbursements	(841,113)	(1,369,157)	(1,369,157)	(661,685)	(2,030,842)
Total Appropriation	300,195,368	327,851,132	309,759,926	(13,593,645)	296,166,281
Operating Transfers Out	3,807,743	3,638,293	3,638,293	(2,139,861)	1,498,432
Total Requirements	304,003,111	331,489,425	313,398,219	(15,733,506)	297,664,713
<b><u>Revenue</u></b>					
Fines & Forfeitures	8,589	-	-	-	-
Current Services	1,068,348	449,000	449,000	3,600	452,600
State, Fed or Gov't Aid	290,395,213	318,951,182	301,157,469	(17,996,050)	283,161,419
Other Revenue	239,589	295,000	295,000	2,258,944	2,553,944
Other Financing Sources	47,092	30,000	30,000	-	30,000
Total Revenue	291,758,831	319,725,182	301,931,469	(15,733,506)	286,197,963
Local Cost	12,244,280	11,764,243	11,466,750	-	11,466,750
Budgeted Staffing		4,409.1	4,175.5	(752.8)	3,422.7

## HUMAN SERVICES SYSTEM

Total Changes Included in Board Approved Base Budget		
Salaries and Benefits	5,654,716	MOU.
	10,512,142	Retirement.
	816,984	Risk Management Workers' Comp.
	(15,000,000)	Full year funding reduction.
	(10,166,429)	Approved by the Board on November 5, 2002 - mid-year adjustment to final budget.
	<u>(8,182,587)</u>	
Services and Supplies	(123,362)	Risk Management Liability.
	42,000	PERC training cost increase.
	(6,238,852)	Approved by the Board on November 5, 2002 - mid-year adjustment to final budget.
	<u>(6,320,214)</u>	
Central Computer	<u>(786,964)</u>	
Other Charges	(2,100,000)	Full year funding reduction.
	5,063,024	Full year funding increase - IHSS provider payments - approved by the Board on January 14, 2003.
	2,300,000	Increase in IHSS provider payments - approved by the Board on November 5, 2002 - mid-year adjustment to final budget.
	(2,346,000)	Reduction in JESD Program contracts - approved by the Board on November 5, 2002 - mid-year adjustment to final budget.
	(1,164,066)	Reduction in FSET allocation - approved by the Board on November 5, 2002 - mid-year adjustment to final budget.
	(346,606)	Various other charges reduction - approved by the Board on November 5, 2002- mid-year adjustment to final budget.
	<u>1,406,352</u>	
Transfers	(4,000,000)	Full year funding reduction.
	(112,016)	Approved by the Board on November 5, 2002 - mid-year adjustment to final budget.
	(95,777)	EHAP reduction.
	<u>(4,207,793)</u>	
<b>Revenue</b>		
State, Fed or Gov't Aid	(21,518,370)	Total reduction in revenue.
	3,724,657	Additional realignment needed as a result of 4% Spend Down Plan and 30% Cost Reduction Plan.
	<u>(17,793,713)</u>	
Total Requirements Change	(18,091,206)	
Total Revenue Change	(17,793,713)	
Total Local Cost Change	(297,493)	
Total 2002-03 Requirements	331,489,425	
Total 2002-03 Revenue	319,725,182	
Total 2002-03 Local Cost	11,764,243	
Total Base Budget Requirements	313,398,219	
Total Base Budget Revenue	301,931,469	
Total Base Budget Local Cost	11,466,750	

# HUMAN SERVICES SYSTEM

## Board Approved Changes to Base Budget

Salaries and Benefits	Totals	
Total TAD	(2,831,861)	Net change to Transitional Assistance Department.
Total JESD	(2,524,430)	Net change to Jobs and Employment Services Department.
Total DCS	(794,821)	Net change to Department of Childrens Services.
Total DAAS	(575,870)	Net change to Department of Aging and Adult Services.
Total Admin	(789,822)	Net change to HSS Administrative Divisions.
	<u>(7,516,803)</u>	
Services and Supplies	(172,872)	Reduction in communication network systems.
	(100,450)	Reduction in computer software purchases.
	(532,000)	Reduction in computer hardware purchases.
	(100,000)	Reduction in office expenses.
	(100,000)	Reduction in printing services.
	(202,832)	Reduction in temporary help services.
	1,110,104	Increase in COWCAP rate.
	614,355	Increase in distributed data processing equipment.
	137,348	Increase in professional services.
	(750,000)	Reduction in systems development charges.
	(585,000)	Reduction in maintenance of equipment.
	(277,450)	Reduction in maintenance of structures.
	(540,471)	Overall reduction in other services and supplies.
	<u>(1,499,268)</u>	
Other Charges	(400,000)	Reduction in employment services - transportation.
	(454,000)	Reduction in employment services - program contracts.
	(1,181,855)	Reduction in Childrens Services - program contracts.
	(635,936)	Reduction in CalWORKS incentive contracts.
	(1,000,000)	IHSS provider health insurance to be reported in transfers - 5030.
	(498,432)	IHSS PA local cost match to be reported in transfers - 5030.
	2,690,476	Increase in IHSS provider payments.
	(1,009,251)	Overall reduction in other charges.
	<u>(2,488,998)</u>	
Equipment	(878,000)	Reduction in equipment purchases over \$5,000.
	(1,833,385)	Reduction in vehicle purchases.
	(1,635,133)	Reduction in leased equipment purchases.
	<u>(4,346,518)</u>	
Transfers	<u>2,919,627</u>	Increase due to TAD MOU with SAC JOB and EHAP charges moving from the 200 series.
Reimbursements	<u>(661,685)</u>	Increase in HSS Admin. staff performing non-welfare support functions.
Total Appropriation	<u>(13,593,645)</u>	
Operating Transfers Out	(3,638,293)	End of funding for Juvenile Dependency Court Building.
	1,000,000	IHSS provider health insurance to be reported in transfers - 5030.
	498,432	IHSS PA local cost match to be reported in transfers - 5030.
	<u>(2,139,861)</u>	
Total Requirements	<u>(15,733,506)</u>	
Revenue		
Current Services	<u>3,600</u>	Increase in health services grant.
State, Fed or Gov't Aid	<u>(17,996,050)</u>	Decrease due to reduction in program costs resulting from decreased allocations.
Other Revenue	<u>2,258,944</u>	Increase due to San Bernardino County Coalition for Quality Childcare Grant.
Total Revenue	<u>(15,733,506)</u>	
Local Cost	<u>-</u>	

## HUMAN SERVICES SYSTEM

### BUDGET UNIT: SUBSISTENCE PAYMENTS SUMMARY - PUBLIC ASSISTANCE (AAA - DVC, ETP, OCC; AAB - ATC, BHI, CAP, CAS, FGR, KIN, SED, UPP)

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	410,605,410	420,327,685	418,970,057	434,096,671
Total Revenue	389,634,627	399,251,194	398,130,017	412,619,746
Local Cost	20,970,783	21,076,491	20,840,040	21,476,925

Overall, the subsistence payments budget units listed above and the Aid to Indigents budget (AAA ATI) did not exceed 2002-03 local cost allocated to them. However, some subsistence budget units exceeded their individual local cost allocation and local cost transfers were made between these budget units based on individual budget units' needs. The additional local cost was offset by either 1) projected savings in other subsistence budgets and in the Aid To Indigents budget, or 2) by additional revenue from the Social Services Sales Tax Trust (Realignment).

### BUDGET UNIT: DOMESTIC VIOLENCE/CHILD ABUSE (AAA DVC)

#### I. GENERAL PROGRAM STATEMENT

This budget unit provides for a number of contracts with agencies to ensure temporary shelter, food, transportation and emergency services and treatment/counseling for adults and children who are victims of domestic violence and child abuse.

- The domestic violence program under SB 1246 (Presley Fund) is funded by a surcharge on marriage licenses and provides funding for shelter care facilities, temporary housing, and counseling services.
- The child abuse prevention program is state funded under AB 2994 (Children's Trust Fund) by a surcharge on certified copies of birth certificates. This program provides: 1) training to childcare organizations/schools on child abuse recognition; 2) training of teenage parents encouraging proper care of infants and children; 3) group treatment for victims of abuse; and 4) group counseling for child abusers.
- An additional child abuse prevention program is funded under AB 1733. The services provided by this program are: 1) training to counselors on recognizing and reporting child abuse; 2) training to children, of preschool age to 14, on recognizing molestation and sexual abuse, avoidance techniques and reporting methods; and 3) training for parents and community groups in recognizing child abuse.

These programs are 100% funded by the three sources referenced above. There is no county general fund contribution nor staffing associated with this budget unit.

#### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	1,385,236	1,432,136	1,394,071	1,380,611
Total Financing Sources	1,378,862	1,432,136	1,371,855	1,380,611
Local Cost	6,374	-	22,216	-
<b><u>Workload Indicators</u></b>				
SB 1246 Contracts	\$378,000	\$332,492	\$315,000	\$285,000
AB 2994 Contracts	\$507,277	\$469,175	\$447,631	\$447,631
AB 1733 Contracts	\$499,959	\$630,469	\$628,036	\$647,980

Fiscal Year 2002-03 actual contracted services totaled \$1,390,667. A year-end accrual error overstated expenditures by \$3,404 and understated revenues by \$18,812.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

##### **PROGRAM CHANGES**

An expected decrease in the sale of marriage licenses will result in less funding available for contractor payments.

# HUMAN SERVICES SYSTEM

GROUP: Human Services System  
DEPARTMENT: Domestic Violence/Child Abuse  
FUND: General AAA DVC

FUNCTION: Public Assistance  
ACTIVITY: Aid Program

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b>Appropriation</b>					
Other Charges	1,394,071	1,432,136	1,208,892	171,719	1,380,611
Total Appropriation	1,394,071	1,432,136	1,208,892	171,719	1,380,611
<b>Revenue</b>					
State, Fed or Gov't Aid	650,661	630,469	630,469	17,511	647,611
Total Revenue	650,661	630,469	630,469	17,511	647,611
Operating Transfers In	721,194	801,667	578,423	154,208	733,000
Total Financing Sources	1,371,855	1,432,136	1,208,892	171,719	1,380,611
Local Cost	22,216	-	-	-	-

## Total Changes Included in Board Approved Base Budget

Other Charges (223,244) Due to an expected decrease in revenue that was included in budget targets. The decrease is largely a result of less birth certificates projected to be sold in 2003-04.

## Revenue

Operating Transfers In (223,244)

Total Appropriation Change (223,244)

Total Financing Sources Change (223,244)

Total Local Cost Change -

Total 2002-03 Appropriation 1,432,136

Total 2002-03 Financing Sources 1,432,136

Total 2002-03 Local Cost -

Total Base Budget Appropriation 1,208,892

Total Base Budget Financing Sources 1,208,892

Total Base Budget Local Cost -

## Board Approved Changes to Base Budget

Other Charges 171,719 Projections show the decrease in sale of birth certificates to be less severe than was projected in the 2003-04 budget target package.

Total Appropriation 171,719

## Revenue

State, Fed or Gov't Aid 17,511 Increase in state funding for CAPIT (AB-1733) per allocation letter.

Total Revenue 17,511

Operating Transfers In 154,208 Additional revenue available from special revenue fund balances.

Total Financing Sources 171,719

Local Cost -

## HUMAN SERVICES SYSTEM

### BUDGET UNIT: CHILD CARE PROVIDER PAYMENTS (AAA ETP)

#### I. GENERAL PROGRAM STATEMENT

All childcare programs administered by the Transitional Assistance Department (TAD) are budgeted within this unit. This expanded program is one of the major programs of the federal welfare reform and the resulting state CalWORKs program. The expanded programs are intended to fund childcare for CalWORKs recipients that are seeking employment or have obtained employment and continue through employment stabilization for a period of up to two years. This budget unit also incorporates the program that funds childcare for families in which the child is under the auspices of the Department of Children's Services and is at risk of parent abuse or neglect.

Childcare provider payments are 100% federal and state funded through reimbursements by the state. There is no staffing associated with this budget unit.

#### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	85,891,477	68,504,316	90,882,476	93,919,917
Total Revenue	85,943,528	68,504,316	90,884,155	93,919,917
Local Cost	(52,051)	-	(1,679)	-
<b><u>Workload Indicators</u></b>				
Average Monthly Paid Cases	23,153	18,229	21,078	20,462
Average Monthly Aid	\$309	\$313	\$357	\$382

In 2002-03 the budget was built based on assumptions that funding would be cut by as much as 25%. When the state released the 2002-03 allocations, funding was cut by only 9%.

Additionally, several additional funding augmentations were received to cover childcare expenses in 2002-03. Allocations received for childcare are as follows:

Program	2002-03 Original Allocations	Mid-Year Allocation Augmentations	Final Allocations
Stage 1 CalWORKS	\$ 35,681,406	\$ 14,097,553	\$ 49,778,959
Stage 2 Contracts	27,045,683	1,246,512	28,292,195
Stage 3 Contracts	8,167,041	2,550,000	10,717,041
General Alternative Payment (Child Protective Services)	826,971	16,539	843,510
Federal Alternative Payment (Federal Block Grant)	3,128,898	62,578	3,191,476
<b>Total</b>	<b>\$ 74,849,999</b>	<b>\$ 17,973,182</b>	<b>\$ 92,823,181</b>

In July 2002 the department presented to the Board the 2002-03 allocations and increased appropriations by \$7.0 million. Estimates indicated a need for additional funding of approximately \$13.5 million. The department submitted its request to the state in January 2003. In April 2003 all requests for additional funding were granted and the department presented the allocation augmentations along with the increase in appropriations and revenue to the Board in early May and late June, which fully funded childcare.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

##### **PROGRAM CHANGES**

In 2003-04 the Governor proposed childcare funding to be included in the "realignment II" funding shift to the county. This did not occur and childcare remains funded through the CalWORKS allocation and the Department of Education.

## HUMAN SERVICES SYSTEM

Due to the fact that "realignment II" and funding cuts did not occur, the 2003-04 budget was built based on caseload trend. In comparison to budget 2002-03, it is projected that average monthly paid cases will increase by 12.3%. Average monthly aid in 2003-04 will increase by 22% from 2002-03 budgeted due to inflation and greater demand for childcare services.

Childcare provider payments are 100% federal and state funded through reimbursements by the state. There is no local cost.

GROUP: Human Services System			FUNCTION: Public Assistance		
DEPARTMENT: Entitlement Payments			ACTIVITY: Aid Programs		
FUND: General AAA ETP					
	2002-03	2002-03	2003-04	2003-04	
	Actuals	Approved Budget	Board Approved	Board Approved	2003-04
			Base Budget	Changes to	Final Budget
				Base Budget	
<b>Appropriation</b>					
Other Charges	90,882,476	68,504,316	99,038,758	(5,118,841)	93,919,917
Total Appropriation	90,882,476	68,504,316	99,038,758	(5,118,841)	93,919,917
<b>Revenue</b>					
State, Fed or Gov't Aid	90,884,155	68,504,316	99,038,758	(5,118,841)	93,919,917
Total Revenue	90,884,155	68,504,316	99,038,758	(5,118,841)	93,919,917
Local Cost	(1,679)	-	-	-	-
<b>Total Changes Included in Board Approved Base Budget</b>					
Other Charges	30,534,442	Increase in allocations from federal and state sources.			
<b>Revenue</b>					
State, Fed or Gov't Aid	30,534,442	Increase in allocations from federal and state sources.			
Total Appropriation Change	30,534,442				
Total Revenue Change	30,534,442				
Total Local Cost Change	-				
Total 2002-03 Appropriation	68,504,316				
Total 2002-03 Revenue	68,504,316				
Total 2002-03 Local Cost	-				
Total Base Budget Appropriation	99,038,758				
Total Base Budget Revenue	99,038,758				
Total Base Budget Local Cost	-				
<b>Board Approved Changes to Base Budget</b>					
Other Charges	(5,118,841)	Reduction due to estimated caseload decline.			
Total Appropriation	(5,118,841)				
<b>Revenue</b>					
State, Fed or Gov't Aid	(5,118,841)	Reduction due to estimated caseload decline.			
Total Revenue	(5,118,841)				
Local Cost	-				

## HUMAN SERVICES SYSTEM

### BUDGET UNIT: OUT-OF-HOME CHILD CARE (AAA OCC)

#### I. GENERAL PROGRAM STATEMENT

This program provides assistance payments for room, board and care for those children pending determination of eligibility for state or federal aid, those who are ineligible due to other resources, or those who are illegal aliens. Some of these children have serious emotional and medical problems, which increase the difficulty of locating appropriate facilities for their care. Costs for this program can fluctuate based on the unique nature and requirements of each individual case. This program is 100% locally funded. There is no staffing associated with this budget unit.

#### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	358,991	437,521	383,622	338,164
Local Cost	358,991	437,521	383,622	338,164
<b><u>Workload Indicators</u></b>				
Paid Cases Per Month	40	40	36	32
Average Monthly Aid	\$748	\$877	\$881	\$890

Expenditures for this program can fluctuate based on the unique nature and requirements of each individual case, but have remained between \$300,000 and \$500,000 per year for the past three years. Expenditures in 2002-03 for this program were 12.3% less than budgeted due to the Department of Children's Services ability to more efficiently help children qualify for federal and state funded programs. Average monthly aid per case increased slightly due to inflation.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET

##### **PROGRAM CHANGES**

It is projected that paid cases per month will drop by 20% from 2002-03 budgeted due to the Department of Children's Services ability to more efficiently help children qualify for federal and state programs. Average monthly aid per case is projected to increase slightly due to inflation.

GROUP: Human Services System			FUNCTION: Public Assistance		
DEPARTMENT: Out-of-Home Child Care			ACTIVITY: Aid Program		
FUND: General AAA OCC					
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b><u>Appropriation</u></b>					
Other Charges	383,622	437,521	437,521	(99,357)	338,164
Total Appropriation	383,622	437,521	437,521	(99,357)	338,164
Local Cost	383,622	437,521	437,521	(99,357)	338,164
<b>Board Approved Changes to Base Budget</b>					
Other Charges	(99,357)	Reduction in caseload.			
Total Appropriation	(99,357)				
Local Cost	(99,357)				



## HUMAN SERVICES SYSTEM

### BUDGET UNIT: AID TO ADOPTIVE CHILDREN (AAB ATC)

#### I. GENERAL PROGRAM STATEMENT

This program provides financial assistance to adopting parents who would otherwise not be able to provide for a child's special needs. The children, on whose behalf monies are paid, are disadvantaged personally or physically handicapped, or are adolescents. This program enables hard to place children to be adopted and taken out of the higher cost Foster Care program. This budget is funded approximately 48% state, 36% federal with the remaining costs offset by revenue from the Social Services Sales Tax Trust and local cost. There is no staffing associated with this budget unit.

#### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	11,429,348	14,103,489	15,186,707	17,152,146
Total Revenue	10,393,494	13,176,268	14,252,485	15,946,603
Local Cost	1,035,854	927,221	934,222	1,205,543
<b><u>Workload Indicators</u></b>				
Average Paid Cases Per Month	1,558	1,924	2,042	2,343
Average Monthly Aid	\$ 611	\$ 611	\$ 620	\$ 610

In 2002-03, continued caseload growth is due to the success of legislation that promotes participation in this program. The legislation is meant to reduce the number of children in the Foster Care program. Caseload in fiscal year 2002-03 was 31% more than the prior fiscal year. A mid-year budget adjustment was approved on June 10, 2003 to increase appropriations and revenue by \$1,102,204. To meet the additional local cost requirement in 2002-03, an additional \$288,039 was requested from the Social Services Sales Tax Trust.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes) **PROGRAM CHANGES**

Caseload is expected to increase approximately 14.7% from 2002-03. Continued growth is expected due to the success of legislation that promotes participation in this program.

Total local share required is \$2,746,455 of which \$1,540,912 is funded from the Social Services Sales Tax Trust. The remaining \$1,205,543 requires local funding, an increase of \$278,322 over 2002-03.

<b>GROUP: Human Services System</b>			<b>FUNCTION: Public Assistance</b>		
<b>DEPARTMENT: Aid to adoptive Children</b>			<b>ACTIVITY: Aid Programs</b>		
<b>FUND: General AAB ATC</b>					
	<b>2002-03 Actuals</b>	<b>2002-03 Approved Budget</b>	<b>2003-04 Board Approved Base Budget</b>	<b>2003-04 Board Approved Changes to Base Budget</b>	<b>2003-04 Final Budget</b>
<b><u>Appropriation</u></b>					
Other Charges	15,186,707	14,103,489	15,987,223	1,164,923	17,152,146
Total Appropriation	15,186,707	14,103,489	15,987,223	1,164,923	17,152,146
<b><u>Revenue</u></b>					
State, Fed or Gov't Aid	14,252,485	13,176,268	15,060,002	886,601	15,946,603
Total Revenue	14,252,485	13,176,268	15,060,002	886,601	15,946,603
Local Cost	934,222	927,221	927,221	278,322	1,205,543

## HUMAN SERVICES SYSTEM

Total Changes Included in Board Approved Base Budget		
Other Charges	<u>1,883,734</u>	Increased expenditures due to projected growth in caseload.
<b>Revenue</b>		
State, Fed or Gov't Aid	<u>1,883,734</u>	Increased federal and state reimbursements due to higher expenditures.
<hr/>		
Total Appropriation Change	1,883,734	
Total Revenue Change	1,883,734	
Total Local Cost Change	-	
<hr/>		
Total 2002-03 Appropriation	14,103,489	
Total 2002-03 Revenue	13,176,268	
Total 2002-03 Local Cost	927,221	
<hr/>		
Total Base Budget Appropriation	15,987,223	
Total Base Budget Revenue	15,060,002	
Total Base Budget Local Cost	927,221	

Board Approved Changes to Base Budget		
Other Charges	<u>1,164,923</u>	Increased expenditures due to projected growth in caseload.
Total Appropriation	<u>1,164,923</u>	
<b>Revenue</b>		
State, Fed or Gov't Aid	<u>886,601</u>	Increased federal and state reimbursement due to higher expenditures.
Total Revenue	<u>886,601</u>	
Local Cost	<u>278,322</u>	

## HUMAN SERVICES SYSTEM

### BUDGET UNIT: AFDC – FOSTER CARE (AAB BHI)

#### I. GENERAL PROGRAM STATEMENT

This program provides aid payments for children living in foster homes and group-care facilities. The Foster Care caseload consists of cases from both the Department of Children's Services (DCS) (approximately 89%) and Probation (approximately 11%). The cost of Probation related foster care cases is approximately 4.5 times greater than DCS cases due to the higher levels of care required for these juveniles.

There are two funding eligibility criteria in the Foster Care Program, federal (federal, state and county participation) and non-federal (state and county only). Foster Care placements are generally eligible for federal financial participation if the parents meet the previous Aid to Families with Dependent Children (AFDC) Program criteria.

- The federal government reimburses approximately 45% of the cost of federally eligible cases.
- The state reimburses approximately 21% of the cost of federally eligible cases and 40% of the cost of non-federally eligible cases
- The remaining county share-of-cost is reimbursed from the non-custodial parents (\$700,000), the Social Services Sales Tax Trust and the county general fund.

Additionally, this budget unit provides \$1.1 million in Social Services Realignment funding annually to the Probation Department to assist in operating the Fouts Springs Youth Facility. This facility is a boot-camp type of facility and is used as a diversionary program for delinquent youth.

There is no staffing associated with this budget unit.

#### II. BUDGET & WORKLOAD HISTORY

	<u>2001-02</u>	<u>2002-03</u>	<u>2002-03</u>	<u>2003-04</u>
Total Appropriation	88,208,101	91,761,451	91,002,763	97,635,819
Total Revenue	74,199,912	78,257,382	77,072,926	83,857,781
Local Cost	14,008,189	13,504,069	13,929,837	13,778,038

##### Workload Indicators

##### Non-Federal

Annual Paid Cases	14,407	14,520	14,092	14,394
Average Paid Cases Per Month	1,201	1,210	1,174	1,200
Average Monthly Aid	\$1,494	\$1,675	\$1,573	\$1,685

##### Federal

Annual Paid Cases	43,766	43,548	43,133	42,846
Average Paid Cases Per Month	3,647	3,629	3,594	3,571
Average Monthly Aid	\$1,505	\$1,528	\$1,569	\$1,687

Caseload had been expected to remain stable for 2002-03. However, factors contributing to the continuing decrease can be attributed to an increase in the number of children transferred from Foster Care to the Kin-Gap Program and continued development of diversionary programs by the Probation Department providing an alternative approach to foster care placements.

Costs per case continue to increase due to the severe statewide shortage of foster family homes and intensive treatment facilities for seriously troubled children, resulting in these cases being placed in more costly foster family agencies.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

##### PROGRAM CHANGES

While overall caseloads are projected to remain stable in 2003-04, in October 2003, a 72-bed facility, Vision Quest, is scheduled to open and begin to care for children who would otherwise be awaiting placement while being housed at Juvenile Hall Detention Center. It is anticipated that thirty-six children will be placed in October

## HUMAN SERVICES SYSTEM

and thirty-six children will be placed in November, bringing the facility to full capacity. This facility will be paid at a Rate Classification Level 12 for each placement. The Probation Department has an agreement with Vision Quest to maintain 72 placements per month for 2003-04.

Due to the continuing shortage of foster family homes, placements in more costly foster family agencies will continue. The increases in caseload and cost per case will require \$5.9 million more in appropriations than 2002-03 budget. This increase will be funded by \$3.9 million in federal and state reimbursement and \$273,969 in additional local cost. The remaining local share will require an additional \$1.7 million from the Social Services Sales Tax Trust (Realignment).

GROUP: Human Services System			FUNCTION: Public Assistance		
DEPARTMENT: AFDC Foster Care			ACTIVITY: Aid Programs		
FUND: General AAB BHI					
	2002-03 Actual	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b>Appropriation</b>					
Other Charges	91,002,763	91,761,451	97,861,613	(225,794)	97,635,819
Total Appropriation	91,002,763	91,761,451	97,861,613	(225,794)	97,635,819
<b>Revenue</b>					
State, Fed or Gov't Aid	76,295,199	77,557,382	83,383,575	(225,794)	83,157,781
Other Revenue	777,727	700,000	700,000	-	700,000
Total Revenue	77,072,926	78,257,382	84,083,575	(225,794)	83,857,781
Local Cost	13,929,837	13,504,069	13,778,038	-	13,778,038
<b>Total Changes Included in Board Approved Base Budget</b>					
Other Charges	6,100,162	Includes increases in expenditures due to the opening of the 72-bed facility, Vision Quest, scheduled to open in October 2003. Also, cost per case increasing due to shortage of foster family homes and higher placements in more costly foster family agency.			
<b>Revenue</b>					
State, Fed or Gov't Aid	5,826,193	Includes increases in federal and state revenues.			
Total Appropriation Change	6,100,162				
Total Revenue Change	5,826,193				
Total Local Cost Change	273,969				
Total 2002-03 Appropriation	91,761,451				
Total 2002-03 Revenue	78,257,382				
Total 2002-03 Local Cost	13,504,069				
Total Base Budget Appropriation	97,861,613				
Total Base Budget Revenue	84,083,575				
Total Base Budget Local Cost	13,778,038				
<b>Board Approved Changes to Base Budget</b>					
Other Charges	(225,794)	Caseload growth projected to be smaller than originally estimated.			
Total Appropriation	(225,794)				
<b>Revenue</b>					
State, Fed or Gov't Aid	(225,794)	Funding reduced as no significant caseload growth is forecasted.			
Total Revenue	(225,794)				
Local Cost	-				

## HUMAN SERVICES SYSTEM

### BUDGET UNIT: REFUGEE CASH ASSISTANCE (AAB CAP)

#### I. GENERAL PROGRAM STATEMENT

This program provides assistance payments for a maximum of eight months to all refugees who cannot meet the requirements for the Refugee Demonstration Project and CalWORKS programs. This program is 100% federally funded and open-ended. There is no staffing associated with this budget unit.

#### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	80,670	520,000	50,616	520,000
Total Revenue	79,862	520,000	51,902	520,000
Local Cost	808	-	(1,286)	-
<b><u>Workload Indicators</u></b>				
Average Paid Cases Per Month	17	98	17	98
Average Monthly Aid	\$395	\$442	\$248	\$442

Expenditures for 2002-03 were lower than budgeted due to a decrease in the refugee population moving into the County and many participants reaching the eight-month time limit of the program.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET

##### **PROGRAM CHANGES**

Because the refugee situation can change dramatically at any time it is recommended that the 2003-04 appropriations be held at the current level.

<b>GROUP: Human Services System</b>			<b>FUNCTION: Public Assistance</b>		
<b>DEPARTMENT: Refugee Cash Assistance Program</b>			<b>ACTIVITY: Aid Programs</b>		
<b>FUND: General AAA CAP</b>					
	<b>2002-03 Actuals</b>	<b>2002-03 Approved Budget</b>	<b>2003-04 Board Approved Base Budget</b>	<b>2003-04 Board Approved Changes to Base Budget</b>	<b>2003-04 Final Budget</b>
<b><u>Appropriation</u></b>					
Other Charges	50,616	520,000	520,000	-	520,000
Total Appropriation	50,616	520,000	520,000	-	520,000
<b><u>Revenue</u></b>					
State, Fed, Gov't Aid	51,902	520,000	520,000	-	520,000
Total Revenue	51,902	520,000	520,000	-	520,000
Local Cost	(1,286)	-	-	-	-

## HUMAN SERVICES SYTEM

### BUDGET UNIT: CASH ASSISTANCE FOR IMMIGRANTS (AAB CAS)

#### I. GENERAL PROGRAM STATEMENT

This program, under AB-2779, provides cash assistance to aged, blind and disabled legal immigrants who meet the Supplemental Security Income/State Supplementary Payment (SSI/SSP) immigration status requirements in effect on August 21, 1998 and all other current SSI/SSP eligibility requirements, yet are no longer eligible for SSI/SSP solely due to their immigration status. This program is 100% state funded. There is no staffing associated with this budget unit.

#### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	734,667	1,053,030	698,136	1,053,030
Total Revenue	734,141	1,053,030	695,909	1,053,030
Local Cost	526	-	2,227	-
<b><u>Workload Indicators</u></b>				
Average Paid Cases Per Month	104	117	96	116
Average Monthly Aid	\$588	\$747	\$606	\$752

Estimated expenditures for 2002-03 were lower than budgeted due to many of these cases moving into the federal SSI/SSP program.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET

##### **PROGRAM CHANGES**

Because the state legislature could expand program eligibility at any time it is recommended that 2003-04 appropriations be held at the current level.

GROUP: Human Services System			FUNCTION: Public Assistance		
DEPARTMENT: Cash Assistance - Immigrants			ACTIVITY: Aid Programs		
FUND: General AAB CAS					
	<b>2002-03 Actuals</b>	<b>2002-03 Approved Budget</b>	<b>2003-04 Board Approved Base Budget</b>	<b>2003-04 Board Approved Changes to Base Budget</b>	<b>2003-04 Final Budget</b>
<b><u>Appropriation</u></b>					
Other Charges	698,136	1,053,030	1,053,030	-	1,053,030
Total Appropriation	698,136	1,053,030	1,053,030	-	1,053,030
<b><u>Revenue</u></b>					
State, Fed or Gov't Aid	695,909	1,053,030	1,053,030	-	1,053,030
Total Revenue	695,909	1,053,030	1,053,030	-	1,053,030
Local Cost	2,227	-	-	-	-

## HUMAN SERVICES SYSTEM

### BUDGET UNIT: CalWORKS – ALL OTHER FAMILIES (AAB FGR)

#### I. GENERAL PROGRAM STATEMENT

The budget provides CalWORKs assistance payments to families eligible for aid and includes all cases that have not been identified as two-parent or zero-parent families. The federal (50%) and state (47.5%) governments reimburse costs for this program. A county general fund contribution of \$4,430,059 and child support payments of \$700,000 from non-custodial parents offset the remaining costs. There is no staffing associated with this budget unit.

#### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	197,639,766	213,396,272	194,822,469	196,553,943
Total Revenue	193,448,666	208,761,366	190,670,061	192,123,884
Local Cost	4,191,100	4,634,906	4,152,408	4,430,059
<b><u>Workload Indicators</u></b>				
Annual Paid Cases	379,681	397,506	377,456	380,054
Average Paid Cases Per Month	31,640	33,126	31,455	31,671
Average Monthly Aid	\$522	\$537	\$517	\$517

Caseload increases, predicted by the Governor's office, failed to materialize (decreases have actually been realized) resulting in significantly less expenditures than forecasted. The workload indicator for Annual Paid Cases and Paid Cases per month provided for budget 2002-03 was discovered to be incorrect. The correct figure is reflected on this page.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

##### **PROGRAM CHANGES**

The Governor's office has again predicted caseload increases in 2003-04 despite actual decreases thus far in 2002-03. However, the projection is very conservative and will have a negligible affect on expenditures. Decreasing average monthly grants due to adults being removed from Temporary Aid for Needy Families (TANF) cases because of time limits are projected to offset the slight increase in caseload. These factors, in addition to the decreased caseloads realized in 2002-03, result in a significant decrease in the amount of appropriations, revenues, and local cost being requested in 2003-04.

GROUP: Human Services System  
DEPARTMENT: CalWORKS - All Other Families  
FUND: General AAB FGR

FUNCTION: Public Assistance  
ACTIVITY: Aid Programs

	<b>2002-03 Actuals</b>	<b>2002-03 Approved Budget</b>	<b>2003-04 Board Approved Base Budget</b>	<b>2003-04 Board Approved Changes to Base Budget</b>	<b>2003-04 Final Budget</b>
<b><u>Appropriation</u></b>					
Other Charges	194,822,469	213,396,272	198,276,018	(1,722,075)	196,553,943
Total Appropriation	194,822,469	213,396,272	198,276,018	(1,722,075)	196,553,943
<b><u>Revenue</u></b>					
State, Fed or Gov't Aid	189,740,683	208,061,366	193,101,014	(1,677,130)	191,423,884
Other Revenue	929,378	700,000	700,000	-	700,000
Total Revenue	190,670,061	208,761,366	193,801,014	(1,677,130)	192,123,884
Local Cost	4,152,408	4,634,906	4,475,004	(44,945)	4,430,059

## HUMAN SERVICES SYSTEM

### Total Changes Included in Board Approved Base Budget

Other Charges	<u>(15,120,254)</u>	Due to decreasing caseloads as opposed to increases predicted by the Governor's Office.
<b>Revenue</b>		
State, Fed or Gov't Aid	<u>(14,960,352)</u>	Less revenue from the state and federal governments due to decreasing caseloads.
<hr/>		
Total Appropriation Change	(15,120,254)	
Total Revenue Change	(14,960,352)	
Total Local Cost Change	(159,902)	
<hr/>		
Total 2002-03 Appropriation	213,396,272	
Total 2002-03 Revenue	208,761,366	
Total 2002-03 Local Cost	4,634,906	
<hr/>		
Total Base Budget Appropriation	198,276,018	
Total Base Budget Revenue	193,801,014	
Total Base Budget Local Cost	4,475,004	

### Board Approved Changes to Base Budget

Other Charges	<u>(1,722,075)</u>	Due to decreasing caseloads.
Total Appropriation	<u>(1,722,075)</u>	
Revenue	<u>-</u>	
Total Revenue	<u>(1,677,130)</u>	Less revenue from the state and federal governments due to decreasing caseloads.
Local Cost	<u>(44,945)</u>	



## HUMAN SERVICES SYSTEM

### BUDGET UNIT: CalWORKS – KIN GAP (AAB KIN)

#### I. GENERAL PROGRAM STATEMENT

This federal program was implemented Jan. 1, 2000. It provides a subsidy to children who leave the juvenile court dependency system to live with a relative legal guardian. It offers relative caregivers of dependent children a new option for providing a permanent home to these children. To be eligible for the program, the child must have lived with the relative at least 12 consecutive months, the relative guardianship must be established pursuant to Welfare and Institutions Code 366.26, and the juvenile court dependency for the child must be dismissed. Movement to the Kin-GAP program is not automatic. The court, with a recommendation from the social worker, has discretion regarding whether termination of dependency is in the child's best interest.

The estimated federal cost reimbursement is approximately 66% and the state cost reimbursement is approximately 17%. The remaining 17%, or local share, is offset by a county general fund contribution. There is no staffing associated with this budget unit.

#### II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Appropriation	1,642,683	2,709,753	2,530,659	3,351,569
Total Revenue	1,420,522	2,334,426	2,115,676	2,795,803
Local Cost	222,161	375,327	414,983	555,766
<b><u>Workload Indicators</u></b>				
Annual Paid Cases	3,382	5,577	4,666	5,899
Average Paid Cases Per Month	282	465	389	492
Average Monthly Aid	\$486	\$486	\$542	\$567

Local cost increased from budget in 2002-03 due to an unanticipated decrease in the federal reimbursement rate, resulting in a local cost increase of \$39,655.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

##### **PROGRAM CHANGES**

The State of California Department of Social Services has projected caseload for the Kin-Gap program to continue to steadily increase. As caseload increases, the local share of cost will increase. Anticipated local cost savings in other subsistence budget units will be used to offset the \$180,439 increase in required local funding.

GROUP: Human Services System DEPARTMENT: CalWORKS - KIN GAP FUND: General AAB KIN			FUNCTION: Public Assistance ACTIVITY: Aid Programs		
	2002-03 Actual	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b><u>Appropriation</u></b>					
Other Charges	2,530,659	2,709,753	3,042,233	309,336	3,351,569
Total Appropriation	2,530,659	2,709,753	3,042,233	309,336	3,351,569
<b><u>Revenue</u></b>					
State, Fed or Gov't Aid	2,098,413	2,324,426	2,656,906	124,897	2,781,803
Other Revenue	17,263	10,000	10,000	4,000	14,000
Total Revenue	2,115,676	2,334,426	2,666,906	128,897	2,795,803
Local Cost	414,983	375,327	375,327	180,439	555,766

## HUMAN SERVICES SYSTEM

### Total Changes Included in Board Approved Base Budget

Other Charges	<u>332,480</u>	Increased cost due to higher caseload.
<b>Revenue</b>		
State, Fed or Gov't Aid	<u>332,480</u>	Includes increases in federal and state revenues.
<hr/>		
Total Appropriation Change	332,480	
Total Revenue Change	332,480	
Total Local Cost Change	-	
<hr/>		
Total 2002-03 Appropriation	2,709,753	
Total 2002-03 Revenue	2,334,426	
Total 2002-03 Local Cost	375,327	
<hr/>		
Total Base Budget Appropriation	3,042,233	
Total Base Budget Revenue	2,666,906	
Total Base Budget Local Cost	375,327	

### Board Approved Changes to Base Budget

Other Charges	<u>309,336</u>	Increased expenditures due to projected increase in caseload and costs.
Total Appropriation	<u>309,336</u>	
<b>Revenue</b>		
State, Fed or Gov't Aid	<u>124,897</u>	To fund projected increase in caseload and costs.
Other Revenue	<u>4,000</u>	Increase due to higher child support reimbursement collections.
Total Revenue	<u>128,897</u>	
Local Cost	<u>180,439</u>	

## HUMAN SERVICES SYSTEM

### BUDGET UNIT: SERIOUSLY EMOTIONALLY DISTURBED (AAB SED)

#### I. GENERAL PROGRAM STATEMENT

Assembly Bill 3263 requires Human Services System to pay out-of-home costs for seriously emotionally disturbed (SED) children. The SED children under this program are referrals from the county's school districts whom have not been abused or neglected and are placed out-of-home pursuant to an individualized education program (IEP). These clients are referred to the Department of Behavioral Health (DBH) whom has case management and supervision responsibility. This budget includes an expenditure offset of \$100,000 from the DBH for clients placed in residential facilities outside of California. This budget is funded 40% by the state with the remainder funded from Social Services Sales Tax Trust and a county general fund contribution. There is no staffing associated with this budget unit.

#### II. BUDGET & WORKLOAD HISTORY

	<u>Actual 2001-02</u>	<u>Budget 2002-03</u>	<u>Actual 2002-03</u>	<u>Budget 2003-04</u>
Total Appropriation	2,555,547	2,365,658	3,355,423	3,345,010
Total Revenue	1,836,034	1,734,312	2,801,085	2,613,701
Local Cost	719,513	631,346	554,338	731,309
<b><u>Workload Indicators</u></b>				
Average Paid Cases Per Month	37	39	46	44
Average Monthly Aid	\$5,756	\$5,202	\$6,079	\$6,525

On March 18, 2003 and June 10, 2003 the Board approved increased appropriations totaling \$1,097,517 and increased state revenue totaling \$439,007. The Social Services Sales Tax Trust provided the increased required county share of \$658,510.

Increases in caseload are directly related to the population of the county and the corresponding county school enrollment. Caseload increased 24.3% over the prior fiscal year. Average monthly placement costs are also 5.6% more than the prior fiscal year and are attributed to the participants in this program requiring a higher level of group home care as determined at the initial intake assessment.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

##### **PROGRAM CHANGES**

Projected expenditures for 2003-04 are based on the continued higher overall average monthly caseload, placement in higher level of care facilities, and expected rate increases granted to group homes. The majority of the participants are placed in rate classification level (RCL) 11 and 12 group homes. However, nearly 9% of the participants are currently placed in the highest level of group home RCL 14. The majority of the participants, 59%, remain in the program 1 year or less and 29% remain in the program between 1 and 2 years. Only 7 participants have remained in this program for more than 2 years.

Continued caseload growth requires additional appropriation, revenue and local share in 2003-04. Total local share required is \$2,007,006 of which \$1,275,697 is funded from the Social Services Sales Tax Trust. The remaining \$731,309 requires local funding, an increase of \$99,963 over 2002-03.

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# HUMAN SERVICES SYSTEM

GROUP: Human Services System  
DEPARTMENT: Seriously Emotionally Disturbed  
FUND: General AAB SED

FUNCTION: Public Assistance  
ACTIVITY: Aid Programs

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b><u>Appropriation</u></b>					
Other Charges	3,355,423	2,365,658	3,178,404	166,606	3,345,010
Total Appropriation	3,355,423	2,365,658	3,178,404	166,606	3,345,010
<b><u>Revenue</u></b>					
State, Fed or Gov't Aid	2,801,085	1,734,312	2,547,058	66,643	2,613,701
Total Revenue	2,801,085	1,734,312	2,547,058	66,643	2,613,701
Local Cost	554,338	631,346	631,346	99,963	731,309

## Total Changes Included in Board Approved Base Budget

Other Charges	812,746	Increased expenditures due to projected caseload growth and increased group home costs.
<b>Revenue</b>		
State, Fed or Gov't Aid	812,746	Increased state reimbursement due to higher expenditures.
Total Appropriation Change	812,746	
Total Revenue Change	812,746	
Total Local Cost Change	-	
Total 2002-03 Appropriation	2,365,658	
Total 2002-03 Revenue	1,734,312	
Total 2002-03 Local Cost	631,346	
Total Base Budget Appropriation	3,178,404	
Total Base Budget Revenue	2,547,058	
Total Base Budget Local Cost	631,346	

## Board Approved Changes to Base Budget

Other Charges	166,606	Increased expenditures due to projected caseload growth and increased group home costs.
Total Appropriation	166,606	
<b>Revenue</b>		
State, Fed or Gov't Aid	66,643	Increased state reimbursement due to higher expenditures.
Total Revenue	66,643	
Local Cost	99,963	

## HUMAN SERVICES SYSTEM

### BUDGET UNIT: CalWORKS – 2-PARENT FAMILIES (AAB UPP)

#### I. GENERAL PROGRAM STATEMENT

This program provides payments to resident families who are eligible for aid in accordance with state law. This budget includes all cases identified as having two parents in the home or in which the parent(s) is excluded from, or ineligible for, CalWORKs. It is estimated that approximately 6,892 dependents will be aided monthly.

The state (97.38%) and federal (.12%) governments reimburse costs for this program. Reimbursements from non-custodial parents of \$35,000 and a county general fund contribution of \$438,046 offset the remaining costs. There is no staffing associated with this budget unit.

#### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	20,678,924	24,044,059	18,663,114	18,846,462
Total Revenue	20,199,606	23,477,958	18,213,961	18,408,416
Local Cost	479,318	566,101	449,153	438,046
<b><u>Workload Indicators</u></b>				
Annual Paid Cases	34,388	37,578	31,320	31,448
Average Paid Cases Per Month	2,866	3,132	2,610	2,621
Average Monthly Aid	\$604	\$640	\$595	\$599

Caseload decreases have been realized rather than the increases predicted by the Governor's office resulting in significantly lower expenditures and revenues than budgeted. The workload indicator for Annual Paid Cases and Paid Cases Per Month provided for Budget 2002-03 was discovered to be incorrect. The corrected figure is reflected on this page.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

##### **PROGRAM CHANGES**

The Governor's office has again predicted caseload increases in 2003-04 despite actual decreases thus far in 2002-03. However, the projection is very conservative and will have a negligible affect on expenditures. Decreasing average monthly grants due to adults being removed from Temporary Aid for Needy Families (TANF) cases because of time limits are projected to offset the slight increase in caseload. These factors, in addition to the decreased caseloads realized in 2002-03, result in a significant decrease in the amount of appropriations, revenues, and local cost being requested in 2003-04.

<b>GROUP: Human Services System</b>			<b>FUNCTION: Public Assistance</b>		
<b>DEPARTMENT: CalWORKS - 2-Parent Families</b>			<b>ACTIVITY: Aid Programs</b>		
<b>FUND: General AAB UPP</b>					
	<b>2002-03 Actuals</b>	<b>2002-03 Approved Budget</b>	<b>2003-04 Board Approved Base Budget</b>	<b>2003-04 Board Approved Changes to Base Budget</b>	<b>2003-04 Final Budget</b>
<b><u>Appropriation</u></b>					
Other Charges	18,663,114	24,044,059	19,403,779	(557,317)	18,846,462
Total Appropriation	18,663,114	24,044,059	19,403,779	(557,317)	18,846,462
<b><u>Revenue</u></b>					
State, Fed or Gov't Aid	18,173,496	23,442,958	18,916,745	(543,329)	18,373,416
Other Revenue	40,465	35,000	35,000	-	35,000
Total Revenue	18,213,961	23,477,958	18,951,745	(543,329)	18,408,416
Local Cost	449,153	566,101	452,034	(13,988)	438,046

## HUMAN SERVICES SYSTEM

Total Changes Included in Board Approved Base Budget		
Other Charges	<u>(4,640,280)</u>	Due to decreasing caseloads as opposed to increases predicted by the Governor's office.
<b>Revenue</b>		
State, Fed or Gov't Aid	<u>(4,526,213)</u>	Less revenue from the state and federal governments due to decreasing caseloads.
Total Appropriation Change	(4,640,280)	
Total Revenue Change	(4,526,213)	
Total Local Cost Change	(114,067)	
Total 2002-03 Appropriation	24,044,059	
Total 2002-03 Revenue	23,477,958	
Total 2002-03 Local Cost	566,101	
Total Base Budget Appropriation	19,403,779	
Total Base Budget Revenue	18,951,745	
Total Base Budget Local Cost	452,034	

Board Approved Changes to Base Budget		
Other Charges	<u>(557,317)</u>	Due to decreasing caseloads.
Total Appropriation	<u>(557,317)</u>	
<b>Revenue</b>		
State, Fed or Gov't Aid	<u>(543,329)</u>	Less revenue from the state and federal governments due to decreasing caseloads.
Total Revenue	<u>(543,329)</u>	
Local Cost	<u>(13,988)</u>	

## HUMAN SERVICES SYSTEM

### BUDGET UNIT: AID TO INDIGENTS (AAB ATI)

#### I. GENERAL PROGRAM STATEMENT

This budget provides subsistence in the form of cash aid, food, shelter, and transportation to indigents who do not meet categorical eligibility requirements for state and federally funded programs. Services and supplies consist of a fixed amount contract with a law firm to assist clients in preparing applications for Social Security Insurance (SSI) benefits. Other charges consist of general relief payments to facilitate transition to an employable status and to provide interim assistance pending receipt of SSI benefits. Other revenue represents retroactive SSI payments, which the county receives as reimbursement for general relief assistance provided to SSI eligible indigents prior to their enrollment in the SSI program. There is no staffing associated with this budget unit.

#### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	1,268,548	1,614,343	1,335,768	1,275,123
Total Revenue	356,844	269,772	360,467	330,986
Local Cost	911,704	1,344,571	975,301	944,137

##### Workload Indicators

Average Individuals Served Per Month	417	500	426	415
Average Monthly Aid	\$244	\$269	\$248	\$252

Historically this budget unit has fluctuated with the changing economy, therefore, caseloads were projected to continue to rise in 2002-03. Although caseloads rose throughout the first half of 2002-03, they declined in the first two months of the second half of the year resulting in a local cost savings of \$369,270.

Revenue collection can vary from year to year due to periodic reimbursements of retroactive SSI payments that are inconsistent from month to month. Actual revenues were 33.6% greater than budget.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

##### PROGRAM CHANGES

It is projected that caseload will decrease by 17% in comparison to last year's budget due to an unrealized caseload increase. Historically caseload has increased in the first 6 months of the fiscal year and then drops the last 6 months. The budget in 2003-04 was built based on 12 months to account for this fluctuation. Average monthly aid per case is projected to decrease slightly over 2002-03 budgeted by 6.3% due to the same over estimate.

Revenue collection can vary from year to year due to periodic reimbursements of retroactive SSI payments that are inconsistent from month to month and year to year. It is estimated that revenues will be 22.7% higher than 2002-03 budgeted in 2003-04.

<b>GROUP: Human Services System</b>			<b>FUNCTION: Public Assistance</b>		
<b>DEPARTMENT: Aid to Indigents</b>			<b>ACTIVITY: General Relief</b>		
<b>FUND: General AAA ATI</b>					
	<b>2002-03 Actuals</b>	<b>2002-03 Approved Budget</b>	<b>2003-04 Board Approved Base Budget</b>	<b>2003-04 Board Approved Changes to Base Budget</b>	<b>2003-04 Final Budget</b>
<b><u>Appropriation</u></b>					
Services and Supplies	44,266	43,588	43,588	(8,218)	35,370
Other Charges	1,291,502	1,570,755	1,570,755	(331,002)	1,239,753
Total Appropriation	1,335,768	1,614,343	1,614,343	(339,220)	1,275,123
<b><u>Revenue</u></b>					
Other Revenue	360,467	269,772	269,772	61,214	330,986
Total Revenue	360,467	269,772	269,772	61,214	330,986
Local Cost	975,301	1,344,571	1,344,571	(400,434)	944,137

## HUMAN SERVICES SYSTEM

Board Approved Changes to Base Budget		
Services and Supplies	<u>(8,218)</u>	Reduction in professional services.
Other Charges	<u>(331,002)</u>	Reduction in relief payments.
Total Appropriation	<u>(339,220)</u>	
Revenue		
Other Revenue	<u>61,214</u>	Increase in retroactive SSI payments.
Total Revenue	<u>61,214</u>	
Local Cost	<u>(400,434)</u>	



## OVERVIEW OF BUDGET

**DEPARTMENT: HUMAN SERVICES SYSTEM**  
**ASSISTANT COUNTY ADMINISTRATOR: CAROL ANSELM**  
**BUDGET UNIT: PROPOSITION 36 (RHD DPA)**

### I. GENERAL PROGRAM STATEMENT

In November 2000, California passed Proposition 36, the Substance Abuse and Crime Prevention Act of 2000 (Act). The Act mandated that certain persons convicted of a nonviolent drug possession offense, and any parolee who is determined by the Parole Authority to have committed a nonviolent drug possession offense, or violated any other drug-related condition of parole, will be provided drug treatment and related services in lieu of incarceration. On February 6, 2001 the Board of Supervisors designated Human Services System as the county lead agency for implementation of the Act and established a local interest earning trust fund for funds received from the state for this program. This special revenue fund is used to account for disposition of the funds received from the state. There is no staffing associated with this budget unit.

### II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Requirements	5,612,744	8,913,631	6,625,029	8,123,826
Total Revenue	8,656,365	5,884,883	5,901,930	5,852,721
Fund Balance		3,028,748		2,271,105

Variances between actual and budget for 2002-03 existed in contingencies due to lower than anticipated number of patients being treated under this program.

### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

#### PROGRAM CHANGES

Program changes affecting the budget include a net increase of \$4,027,743 in transfers. This represents an increase of \$52,539 to Human Services System for support services, an increase of \$2,000 to Trial Court for vocational training services, and an increase of \$3,973,204 due to an accounting change.

Operating transfers out decreased \$3,973,204 due to the reclassification of transfers as mentioned above.

Changes in program revenue include: the decrease in state allocation of \$12,162 and a decrease of interest revenue of \$20,000.

GROUP: Human Services System			FUNCTION: Public Assistance		
DEPARTMENT: Human Services System - Proposition 36			ACTIVITY: Administration		
FUND: Special Revenue RHD DPA					
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b><u>Appropriation</u></b>					
Contingencies	-	2,341,092	2,341,092	(844,344)	1,496,748
Transfers	2,591,826	2,599,335	2,599,335	4,027,743	6,627,078
Total Appropriation	2,591,826	4,940,427	4,940,427	3,183,399	8,123,826
Operating Transfers Out	4,033,203	3,973,204	3,973,204	(3,973,204)	-
Total Requirements	6,625,029	8,913,631	8,913,631	(789,805)	8,123,826
<b><u>Revenue</u></b>					
Use of Money & Prop	182,503	200,000	200,000	(20,000)	180,000
State, Fed or Gov't Aid	5,719,427	5,684,883	5,684,883	(12,162)	5,672,721
Total Revenue	5,901,930	5,884,883	5,884,883	(32,162)	5,852,721
Fund Balance		3,028,748	3,028,748	(757,643)	2,271,105

## HUMAN SERVICES SYSTEM

### Board Approved Changes to Base Budget

Contingencies	<u>(844,344)</u>	Decrease in contingencies to cover on-going expenses not covered but the annual state allocation.
Transfers	<u>4,027,743</u>	\$3,973,204 previously budgeted as operating transfers out and \$52,935 increase in Human Services System administrative expenses related to fee collection, and \$2,000 increase in court ancillary services related to vocational training services.
Total Appropriation	<u>3,183,399</u>	
Operating Transfers Out	<u>(3,973,204)</u>	Budgeted as transfers.
Total Requirements	<u>(789,805)</u>	
Revenue		
Use of Money & Prop	<u>(20,000)</u>	Decrease in interest.
State, Fed or Gov't Aid	<u>(12,162)</u>	Decrease in county's allocation by the state.
Total Revenue	<u>(32,162)</u>	
Fund Balance	<u>(757,643)</u>	

## OVERVIEW OF BUDGET

**DEPARTMENT: HUMAN SERVICES SYSTEM**  
**ASSISTANT COUNTY ADMINISTRATOR: CAROL ANSELM**  
**BUDGET UNIT: AB212 TEACHER STIPENDS (RHE DPA)**

### I. GENERAL PROGRAM STATEMENT

High quality childcare is dependent upon a well-trained, well-compensated and dedicated staff. In an effort to foster an environment where this type of staff is developed and retained, Children's Network applied for and was awarded this state grant via Assembly Bill 212 (Teacher Stipends) in December 2001. Grant monies are placed in this special revenue fund providing stipends to pre-school teachers and/or administrators who demonstrate completion of college credits towards certification or post-secondary degrees. The stipend increases as the number of college units completed increases thereby acting as an incentive for preschool teachers to further educational levels. Stipends also increase for teachers who speak a second language or teach disabled children making preschool services accessible to a larger portion of the community. There is no staffing associated with this budget unit.

### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Requirements	-	638,912	1,237,364	612,000
Total Revenue	639,231	-	655,838	558,988
Fund Balance		638,912		53,012
<b><u>Workload Indicators</u></b>				
Stipends Awarded	-	325	659	305
Average Amount of Stipend		\$1,966	\$1,878	\$2,007

The difference between the Budget 2002-03 and Actual 2002-03 figures is due to 2001-02 revenue not being received until very late in the fiscal year, making it impossible for stipends to be awarded before the end of the fiscal year. The state allowed the revenue to be carried forward to 2002-03. Additionally, unexpected additional grant monies were received in 2002-03.

### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

#### **PROGRAM CHANGES**

The 2003-04 grant has yet to be determined but is estimated to be \$552,988. In addition, projected interest of \$6,000 may be available to supplement the grant and be used toward stipends. All grant monies are projected to be spent by the end of 2003-04.

<b>GROUP: Human Services System</b>			<b>FUNCTION: Public Assistance</b>		
<b>DEPARTMENT: Human Services System - AB212 TEACHER STIPENDS</b>			<b>ACTIVITY: Administration</b>		
<b>FUND: Special Revenue RHE DPA</b>					
	<b>2002-03 Actuals</b>	<b>2002-03 Approved Budget</b>	<b>2003-04 Board Approved Base Budget</b>	<b>2003-04 Board Approved Changes to Base Budget</b>	<b>2003-04 Final Budget</b>
<b><u>Appropriation</u></b>					
Other Charges	1,237,364	638,912	638,912	(26,912)	612,000
Total Appropriation	1,237,364	638,912	638,912	(26,912)	612,000
<b><u>Revenue</u></b>					
Use of Money & Prop	-	-	-	6,000	6,000
State, Fed or Gov't Aid	655,838	-	-	552,988	552,988
Total Revenue	655,838	-	-	558,988	558,988
Fund Balance	581,526	638,912	638,912	(585,900)	53,012

## HUMAN SERVICES SYSTEM

Board Approved Changes to Base Budget		
Other Charges	<u>(26,912)</u>	Decreased stipends due to lower grant from the state.
Total Appropriation	<u>(26,912)</u>	
<b>Revenue</b>		
Use of Money & Prop	<u>6,000</u>	Projected interest on fund balance.
State, Fed or Gov't Aid	<u>552,988</u>	Expected grant from state for teacher stipend program.
Total Revenue	<u>558,988</u>	
Fund Balance	<u>(585,900)</u>	

## OVERVIEW OF BUDGET

DEPARTMENT: PRESCHOOL SERVICES  
ADMINISTRATOR: ROBERTA YORK  
BUDGET UNIT: RSC HPS

### I. GENERAL PROGRAM STATEMENT

Preschool Services Department (PSD) has operated the Federal Head Start program and other childcare programs in San Bernardino County since 1965 providing comprehensive child development and family services to children, ages 3 to 5 years, of low income and disadvantaged families. As the primary program (87% of all funding), Head Start incorporates educational, health, nutritional, and psychological services in order to help children become ready to enter and succeed in school and life in general. Currently operating sites will provide childcare services at 40 sites throughout the county. Other programs operated by this department include State Preschool, General Child Care and Child and Adult Care Food Programs.

### II. BUDGET & WORKLOAD HISTORY

	<u>Actual</u> <u>2001-02</u>	<u>Budget</u> <u>2002-03</u>	<u>Actual</u> <u>2002-03</u>	<u>Budget</u> <u>2003-04</u>
Total Appropriation	32,631,728	36,768,311	38,011,785	37,487,002
Total Revenue	30,853,852	36,850,315	37,315,911	37,861,261
Fund Balance		(82,004)		(374,259)
Budgeted Staffing		653.7		575.8
<b><u>Workload Indicators</u></b>				
Average daily # of classes	283	315	287	282
Average daily # of children	4,352	5,122	4,503	4,370

PSD applied for and received authorization from the Federal Administration of Children and Families (ACF) to reauthorize \$1.66 million in expansion funds from 2001-02 to 2002-03. The Board of Supervisors approved the one-time rollover on August 13, 2002 (Item no. 35) to fund start-up costs such as facilities renovations, playground equipment, copiers, classroom equipment, classroom supplies and to provide salaries and benefits for expansion staff. The expansion sites include Adelanto, Apple Valley, Crestline, Joshua Tree, Upland and Victorville.

Actual workloads (avg. daily # of classes and children) for 2002-03 are under budget by 28 classes and 619 children due to various factors. There was a construction delay in opening several expansion sites and/or classrooms. Sites/classrooms licensed since February include: Adelanto, Apple Valley, Sivaland and Victorville. The Rialto Eucalyptus site was licensed in May 2003, and the Crestline site was licensed in July 2003. Additionally, the workload indicator for average daily # of children for the 2002-03 budget was overstated because 68 children enrolled in Sivaland's wrap-around program (a federal and state slot combined) were included twice.

### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

#### **STAFFING CHANGES**

Budgeted staffing has a net decrease of 77.9 positions. There was a zero net change in site supervisors, teachers and teacher aides (9 and 12 months), who were qualified and upgraded to level II positions based on a mid year Board item (July 23, 2002, #32) that approved six new classifications to compensate for the higher levels of education mandated by Head Start.

Other changes to teaching staff resulted in a net reduction of 51.9 budgeted staffing. A net increase of 14.7 budgeted positions was due to site expansion (1.5 Site Supervisor II-12 months, 3.5 Teacher II-12 months and 9.7 Teacher Aide II-12 months). A net decrease of 38.8 budgeted positions was due to deleting vacant positions that are no longer needed (7.4 Site Supervisor-9 months, 23.3 Teacher-9 months and 8.1 Teacher Aide-9 months), and a net decrease of 41.4 budgeted positions (Teachers-9 months) was due to a work hours reduction for part-day Teachers from 8 to 6 hours per day. The vacancy factor of 13.6 was eliminated.

## PRESCHOOL SERVICES

Changes to supporting staffing resulted in a net reduction of 26.0 budgeted staffing. A net increase of 6.2 budgeted positions was due to workload increase (1.5 Accounting Technician, 1.5 Food Service Worker-12 months, 1.0 Fiscal Clerk I, 1.0 Program Supervisor, 0.1 Program Aide-9 months, 0.1 Nurse, and 1.0 Eligibility Worker II). A net decrease of 30.9 budgeted positions was due to deleting vacant positions that are no longer needed (0.5 Eligibility Worker II, 7.5 Public Service Employee, 8.6 Custodian-9 months, 5.1 Food Service Worker-9 months, 3.5 Center Clerk-9 months, 2.0 Clerk III, 2.0 General Maintenance Worker, 1.0 Generalist-9 months, 0.1 Staff Analyst II, and 0.6 Custodian-12 months), and a net decrease of 1.3 Fiscal Clerk II positions that were transferred from PSD to HSS.

### **PROGRAM CHANGES**

The average daily number of classes and number of children served are expected to decrease in 2003-04 by 33 classes comprised of 564 children due to PSD's plan to implement new full-day program options.

PSD is committed to providing new full-day program options by combining Head Start and State Preschool funded slots based on the recommendations of the Head Start - State Collaboration Office (California Department of Education, Child Development Division) and in response to the changing needs of families. More low income and disadvantage families with young children now work or train full-time due to welfare reform and are therefore in need of full-time childcare services.

PSD's collaborative plan is twofold: (1) PSD will absorb 317 State Preschool slots into the existing Full Day Head Start Program, and (2) PSD will combine two part day slots – 3.5 hours each, comprised of 247 Head Start and State Preschool slots each. In both cases, children will be co-enrolled in Head Start and State Preschool programs. PSD operates a similar program at its Sivaland location where full-day service is provided to 72 co-enrolled children. In addition to the programs mentioned above, PSD will continue to provide part-day services to 3,802 children (including Delegate Agencies) and full-day services to 52 General Child Care children at the Mill Street site.

Due to the new program options (blending of federal and state slots) there will be a net cost savings of \$193,369. The new program options will result in a reduction through attrition of 15.1 budgeted teaching positions. In addition to salary savings, Preschool Services expects cost savings in transportation, food, classroom supplies and facilities (one or two sites) proportionate to the stated decrease in workload. A cost savings is also anticipated in the reduction of working hours for part-day teaching staff (from 8 to 6 hours per day) for children who attend class for 3.5 hours per day. The combined cost savings will be offset primarily by cost increases in MOU salary and benefits, unemployment insurance, workers compensation, and lease payments (CPI).

GROUP: Human Services System DEPARTMENT: Preschool Services FUND: Special Revenue RSC HPS			FUNCTION: Public Assistance ACTIVITY: Child Development		
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b><u>Appropriation</u></b>					
Salaries and Benefits	23,328,994	23,575,234	24,534,456	(630,666)	23,903,790
Services and Supplies	3,771,285	3,867,523	3,867,523	282,834	4,150,357
Central Computer	90,657	90,657	90,657	(4,877)	85,780
Other Charges	8,198,862	7,305,389	7,305,389	(334,438)	6,970,951
Equipment	487,711	-	-	-	-
Transfers	2,134,276	1,929,508	1,929,508	446,616	2,376,124
Total Appropriation	38,011,785	36,768,311	37,727,533	(240,531)	37,487,002
<b><u>Revenue</u></b>					
Use of Money & Prop	14,371	-	-	-	-
State, Fed or Gov't Aid	37,301,540	36,850,315	37,809,537	51,724	37,861,261
Total Revenue	37,315,911	36,850,315	37,809,537	51,724	37,861,261
Fund Balance		(82,004)	(82,004)	(292,255)	(374,259)
Budgeted Staffing		653.7	653.7	(77.9)	575.8

## PRESCHOOL SERVICES

### Total Changes Included in Board Approved Base Budget

Salaries and Benefits	603,399	MOU.
	292,558	Retirement.
	12,890	Risk Management Workers' Comp (classified employees only).
	50,375	Increase in California State Department of Education, Child Development Division, contracts for 2002-03. Approved by the Board on April 8, 2003, Item 25.
	<u>959,222</u>	
<b>Revenue</b>		
State, Fed or Gov't Aid	<u>959,222</u>	
Total Appropriation Change	959,222	
Total Revenue Change	959,222	
Total Fund Balance Change	-	
Total 2002-03 Appropriation	36,768,311	
Total 2002-03 Revenue	36,850,315	
Total 2002-03 Fund Balance	(82,004)	
Total Base Budget Appropriation	37,727,533	
Total Base Budget Revenue	37,809,537	
Total Base Budget Fund Balance	(82,004)	

### Board Approved Changes to Base Budget

Salaries and Benefits	(630,666)	Net decrease of \$583,504 is due primarily to staff reduction (77.9 budgeted positions) due to the new program options and the reduction of working hours for 9-month part-day teachers from 8 to 6 hours per day. Together, reductions will result in a savings of \$2,394,916 offset by increases in worker's comp for contract employees in the amount of \$662,289, and in MOU step raises and Level I / Level II step for the Site Supervisors, Teachers, and Teacher's Aides in the amount of 1,101,961.
Services and Supplies	(67,115)	Decrease in utilities due to the new program options resulting in the closure of one or two sites.
	(121,621)	GASB 34 Accounting Change (EHAP).
	(80,000)	Decrease in office expense - Outside vendors due to reduced spending because of the new program options.
	528,954	Increase in COWCAP costs primarily due to a rise in unemployment claims for 9-month employees.
	99,000	Increase in subscriptions for new Genesis System Support.
	(76,384)	Net decrease due to anticipated reduction of inventoriable equipment and other misc expenses.
	<u>282,834</u>	
Central Computer	(4,877)	Decrease anticipated in central computer charges.
Other Charges	(334,438)	Net decrease in other charges due to the anticipated reduction of the transportation and food services costs related to the new program options.
Transfers	446,616	Increases in transfers due primarily to Real Estate lease payment increase for \$219,459. Also, increases in charges from HSS, ITSD, and HR staff in the amount of \$105,536. GASB 34 Accounting Change (EHAP) \$121,621.
Total Appropriation	<u>(240,531)</u>	
Revenue		
State, Fed or Gov't Aid	<u>51,724</u>	
Total Revenue	<u>51,724</u>	
Fund Balance	<u>(292,255)</u>	

## OVERVIEW OF BUDGET

**DEPARTMENT: PUBLIC HEALTH**  
**PROGRAMS ADMINISTRATOR: JIM FELTEN**

	<b>2003-04</b>				
	<b><u>Appropriation</u></b>	<b><u>Revenue</u></b>	<b><u>Fund Balance</u></b>	<b><u>Local Cost</u></b>	<b><u>Staffing</u></b>
Public Health	73,611,885	72,967,163		644,722	921.3
California Children's Services	10,723,433	9,185,392		1,538,041	145.0
Indigent Ambulance	472,501	-		472,501	-
Cajon Pass	112,359	81,800	30,559		-
<b>Total</b>	<b>84,920,178</b>	<b>82,234,355</b>	<b>30,559</b>	<b>2,655,264</b>	<b>1,066.3</b>

### BUDGET UNIT: PUBLIC HEALTH (AAA PHL)

#### I. GENERAL PROGRAM STATEMENT

The Department of Public Health provides a wide range of services to prevent diseases and improve the health, safety, and quality of life for the residents of San Bernardino County. The department operates 36 different programs divided among four areas of Public Health: 1) Preventive Medicine Services, 2) Community Health Services, 3) Environmental Health Services, and 4) Administrative Support Services. Programs (many which are mandated by the State Health and Safety Code) are funded by state and federal grants, local fees, and general fund support.

#### II. BUDGET & WORKLOAD HISTORY

	<b><u>Actual</u></b> <b><u>2001-02</u></b>	<b><u>Budget</u></b> <b><u>2002-03</u></b>	<b><u>Actual</u></b> <b><u>2002-03</u></b>	<b><u>Budget</u></b> <b><u>2003-04</u></b>
Total Requirements	63,629,939	73,675,031	69,945,977	73,611,885
Total Financing Sources	62,793,170	73,020,711	69,436,828	72,967,163
Local Cost	836,769	654,320	509,149	644,722
Budgeted Staffing		1,100.3		921.3
<b><u>Workload Indicators</u></b>				
Patient Visits	95,786	106,065	92,853	107,410
Immunizations	132,012	151,205	118,496	162,000
Lab Examinations	107,212	99,100	110,042	102,550
Home Visits	21,841	32,500	20,918	17,380
Animal Control Responses	403,461	407,000	399,174	400,500
WIC Vouchers Distributed	737,426	747,600	758,168	773,000
Inspections/Permits	46,695	41,560	41,106	40,954

Actual expenditures and revenues are below budget as a result of programs that were scaling back with the anticipation of their elimination in the coming fiscal year. Public Health has a number of MOUs with other Human Services System departments that will be ending as a result of funding cuts within the HSS social service departments. The severe drop in actual and budgeted home visits reflects the budget cuts associated with HSS MOU reductions and other lost grant funds.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

##### **STAFFING CHANGES**

Overall, budgeted staffing is reduced by 179.0 positions. Within base year adjustments, budgeted staffing is decreased a net of 0.9 as a result of implementing the 4% spend down plan and 30% cost reduction plan which deleted 1.9 positions and approving the AIDS Master grant which added 1.0 position. In mid-year adjustments the Board approved an increase of 1.0 in budgeted staffing netting an increase of 1.9 budgeted staff in the Board Approved Base Budget. Within the Public Health Department, all county general fund dollars go toward the animal control program; as a result all impacts resulting from the 4% and 30% budget reduction plans occur in that program.



## **PUBLIC HEALTH**

Staffing is then reduced by a net 181.4 or 16.5%. This is primarily the result of two factors: reduced revenue/reimbursements and significantly increased staffing expense due to retirement and MOU increases. Of the 181.4 reduction, 67.4, over 37%, comes from the Maternal Health Program, which was severely impacted by the elimination/reduction of various state and Children and Families Commission grant funds for programs such as "Early Steps," "Earlier the Better," and "Right from the Start." Of the remaining 114.0 reduction, 33.9 occurred in the Perinatal and Adolescent Life program, 8.9 in Child Health, 3.5 in Family Planning, 17.0 in Aging, 17.5 in the Field Nursing program; and 33.2 in various programs. All of these programs experienced revenue declines as a result of the reduction or elimination of grants from both the state and the federal governments, as well as reductions in programs funded through MOUs with other county departments. .

In conjunction with these budgeted staffing cuts the department is developing a layoff plan. Only a minimal number of the 181.4 reduction in budgeted staffing affects filled positions. The department has a high number of vacancies in nursing and education positions due to difficulties in recruiting and retaining these classifications. As a result, vacant positions were deleted and staff from unfunded programs are being reassigned throughout the department. Additionally, the department is working with other county departments to transfer staff from positions that are at risk to other positions in the county. These reassignments and transfers should help the department to keep the layoff plan to a minimal level.

Included in the net decrease of 181.4, the department is also requesting new staff in three programs and four reclassifications. Total new staffing includes a 7.6 increase in our Nutrition program funded entirely by Federal Women, Infants, & Children funds, a 0.2 increase in Child Health for an additional part-time Dental Hygienist for the Dental Disease Prevention program which is entirely state funded, and a 1.9 increase in Reproductive Health for a new Title V federal grant. The nutrition programs staff includes 2.1 Nutritionists, 1.9 Supervising Health Service Assistants, 0.9 Health Service Assistant II, and 2.7 Pre-Registered Dieticians. The Reproductive Health positions include 0.9 Public Health Coordinator and 1.0 Clerk III.

Of the four reclassifications, three are to downgrade positions that are currently being underfilled to the lower classification of the employee that is filling the position. The fourth reclassification is to downgrade an Environmental Health position that has been extremely difficult to recruit at its current classification.

In addition, per Board direction, 5.5 vacant budgeted positions that were not in recruitment were deleted from various programs and 6.0 fee supported positions were approved in the Environmental Health Division

### **PROGRAM CHANGES**

As indicated in the staffing changes section, Public Health saw a number of grants either reduced or eliminated in both the current and coming year. Services and supplies costs and fixed asset expenditures were reduced dramatically in many programs in an attempt to maintain staff for service delivery. Amounts budgeted for transfers have increased slightly as a result of increased lease expenses, administrative support, and EHAP expenses related to an accounting change.

Reimbursements received from other county departments have decreased by \$5,207,973 as a result of dramatically reduced or eliminated MOUs for service, primarily with other HSS departments. The programs affected are: "Youth Self Sufficiency," "STOP" (a Family Violence Prevention program), "Let's Talk" and "Family Planning Access" funds from the Transitional Assistance Department, and the Aging "Personal Care and Services Program" and funding for CalWorks services.

Budget to budget, revenues are decreasing from \$71,458,055 to \$69,259,538 for a net decrease of \$2,198,517. This net reduction is comprised of a number of substantial changes. Child Health clinical services have been eliminated due to a restructuring of the program by the State resulting in a loss of \$261,000 in revenue. The Child Health functions will continue to be provided within the county by private providers. A Children and Families Commission grant, the "Early Steps" Program, has ended resulting in a decrease of \$3,585,392 in budgeted revenue. The loss of the Children and Families Commission grant was compounded by the fact that those funds were used to obtain matching funds from the State Maternal and Child Health (MCH) program. That loss of matching funds then led to a further loss of \$1,301,560 in MCH funds. A Field Nursing program, "The Earlier the Better," has ended causing a revenue decrease of \$715,600. Other reductions include an accounting change that shifts how Bio-Terrorism revenue (\$949,043) is recognized from revenue to operating transfers in and miscellaneous decreases (\$352,528) across various programs.

## PUBLIC HEALTH

Revenue increases partially offsetting the reductions above includes \$126,000 in base year adjustments and \$2,236,406 in mid-year adjustments. Almost all of this mid-year increase is the result of increases to our Women, Infants & Children (WIC) program. Other increases include \$800,000 for a federal Special Projects of Regional and National Significance grant for abstinence education and a \$1,804,200 expansion of our state Targeted Case Management (TCM) activities.

The increase in TCM is designed to help offset the severe reduction in programs funded by MOUs with other HSS departments. As indicated in a recent consultant study by Maximus, many of the services offered under those programs included a significant case management component that is eligible to be time-studied and claimed under the State's TCM program. Through this approach, the department plans to sustain key services by seeking state funding allocated for case management services provided to public health clients. The TCM program activities will begin July 1, 2003. However, the required time-study, reimbursement rate setting by the state, and program approval by the state do not occur until October, November, and December respectively. Should some or all of our program be denied by the state, it is likely the department would need to implement further staff reductions and use some one-time realignment funds to cover the expenses for the first half of the year for those portions of the program that are not approved.

Operating transfers in are increasing to pay for the bio-terrorism program. Positions approved in the 2002-03 year are being filled and the program is getting off the ground resulting in increased expenditures and transfers in to support this program.

GROUP: Human Services System DEPARTMENT: Public Health FUND: General AAA PHL			FUNCTION: Health & Sanitation ACTIVITY: Health		
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b><u>Appropriation</u></b>					
Salaries and Benefits	49,822,614	54,873,157	60,026,224	(7,587,088)	52,439,136
Services and Supplies	24,237,968	25,028,310	27,169,627	(5,106,744)	22,062,883
Central Computer	463,669	524,709	430,079	-	430,079
Equipment	238,069	344,900	292,900	(207,900)	85,000
Transfers	2,397,127	2,591,914	2,573,112	501,661	3,074,773
Total Exp Authority	77,159,447	83,362,990	90,491,942	(12,400,071)	78,091,871
Reimbursements	(7,999,464)	(9,687,959)	(9,687,959)	5,207,973	(4,479,986)
Total Appropriation	69,159,983	73,675,031	80,803,983	(7,192,098)	73,611,885
Operating Transfer Out	785,994	-	-	-	-
Total Requirements	69,945,977	73,675,031	80,803,983	(7,192,098)	73,611,885
<b><u>Revenue</u></b>					
Licenses & Permits	6,010,784	6,727,755	6,727,755	255,248	6,983,003
Fines & Forfeitures	283,022	245,000	245,000	5,000	250,000
Taxes	98,328	122,000	122,000	-	122,000
Current Services	8,834,468	10,763,540	10,962,540	(4,535,326)	6,427,214
State, Fed or Gov't Aid	38,479,789	39,794,971	46,399,921	(4,934,979)	41,464,942
Other Revenue	122,004	230,700	230,700	(127,010)	103,690
Realignment	13,908,689	13,574,089	13,908,689	-	13,908,689
Total Revenue	67,737,084	71,458,055	78,596,605	(9,337,067)	69,259,538
Operating Transfers In	1,699,744	1,562,656	1,562,656	2,144,969	3,707,625
Total Financing Sources	69,436,828	73,020,711	80,159,261	(7,192,098)	72,967,163
Local Cost	509,149	654,320	644,722	-	644,722
Budgeted Staffing		1,100.3	1,102.2	(180.9)	921.3

## PUBLIC HEALTH

		Total Changes Included in Board Approved Base Budget
<b>BASE YEAR</b>		
Salaries and Benefits	1,540,274	MOU.
	2,736,899	Retirement.
	572,606	Risk Management Liabilities.
	(26,173)	4% Spend Down Plan.
	(87,750)	30% cost Reduction Plan.
	13,000	Approved by the Board October 1, 2003 - AIDS Master Grant which added 1.0 Staff Analyst II.
	17,000	Approved by the Board On January 14, 2003 - HOT SPoTS Funding for Chlamydia testing and screening activities.
	<u>4,765,856</u>	
Services and Supplies	196,122	Risk Management Liabilities.
	48,000	Approved by the Board on September 24, 2002 for Medical Administrative Activities (MAA) claims.
	48,000	Approved by the Board on October 22, 2002 for MAAA claims processing.
	<u>292,122</u>	
Central Computer	<u>(94,630)</u>	
Equipment	<u>(52,000)</u>	30% Cost Reduction Plan.
Transfers	<u>(18,802)</u>	Incremental Change in EHAP.
<b>Revenue</b>		
Current Services	<u>96,000</u>	Increased for MAA contracts.
State, Fed or Gov't Aid	4,883,144	Target setting assumed increase in state and federal revenue.
	30,000	State revenue related to AIDS Master Grant and HOT SPoTS funding.
	(334,600)	SB90 revenue loss.
	(107,000)	SB90 backfill for Animal Control.
	<u>4,471,544</u>	
Realignment	<u>334,600</u>	SB90 backfill for health programs not being paid by the state.
<b>MID-YEAR</b>		
Salaries and Benefits	8,313	Approved by the Board on January 14, 2003 - HOT SPoTS funding for Chlamydia testing and screening activities.
	7,500	Approved by the Board on January 7, 2003 - clasp funding for Chlamydia screening proj.
	338,500	Approved by the Board on February 4, 2003 - Women, Infants, and Children (WIC).
	32,898	Approved by the Board on March 18, 2003 - 5 A Day funding.
	<u>387,211</u>	
Services and Supplies	9,234	Approved by the Board on January 14, 2003 - HOT SPoTS funding.
	5,000	Approved by the Board on January 7, 2003 - clasp funding, added 1.0 Health Svcs Asst I.
	1,764,859	Approved by the Board on February 4, 2003 - WIC funding.
	22,102	Approved by the Board on March 18, 2003 - 5 A Day funding.
	48,000	Approved by the Board on March 18, 2003 - MAA claims processing.
	<u>1,849,195</u>	
<b>Revenue</b>		
Current Services	<u>103,000</u>	Increased services for MAA claims and 5 A Day contract.
State, Fed or Gov't Aid	<u>2,133,406</u>	
Total Requirements Change	7,128,952	
Total Financing Sources Change	7,138,550	
Total Local Cost Change	(9,598)	
Total 2002-03 Requirements	73,675,031	
Total 2002-03 Financing Sources	73,020,711	
Total 2002-03 Local Cost	654,320	
Total Base Budget Requirements	80,803,983	
Total Base Budget Financing Sources	80,159,261	
Total Base Budget Local Cost	644,722	

## PUBLIC HEALTH

Board Approved Changes to Base Budget		
Salaries and Benefits	(1,226,554)	Perinatal Program - HSS MOU reduction for the Youth Self-Sufficiency Program.
	(335,301)	Child Health - changes in state Child Health Program has lead to the elimination of our child health clinical services.
	(2,716,572)	Maternal Health - contract with Children & Families Commission ends June 30, 2003; cuts to state funded Maternal Health Program.
	(957,100)	Aging Program - HSS MOU reduction for the Personal Care Services Program.
	(919,899)	Field Nursing - HSS CalWORKS MOU reduction and the ending of the "Earlier the Better" Program with California State University, San Bernardino.
	(1,031,891)	Increase in vacancy factor due to hiring limitations resulting from the current budget situation.
	(536,882)	Miscellaneous staff reductions across approximately 30 Public Health programs resulting from increased labor costs. This represents a 1% reduction.
	137,111	Net final budget adjustment: delete 5.5 vacant positions and add 6.0 fee supported Environmental Health positions.
	<u>(7,587,088)</u>	
Services and Supplies	(309,771)	Perinatal Program - reduced MOU with HSS for Youth Self-Sufficiency Program.
	(2,313,100)	Maternal Health - contract with Children & Families Commission ends June 30, 2003; cuts to state funded Maternal Health Programs.
	(209,543)	GASB 34 Accounting Change (EHAP).
	(2,388,735)	As a result of increased staffing expenses, many of our programs slashed services and supplies so that they could maintain staff and continue service delivery. This reduction is across dozens of programs. The larger reductions include: Lab (310,500); Environmental Health (290,530); Facilities Management (199,642); Animal Control (181,025); and Emergency Medical Services (92,997).
	114,405	Final budget adjustment: Environmental Health fee supported rent increase.
	<u>(5,106,744)</u>	
Equipment	(207,900)	Most fixed asset purchases have been eliminated from the budget due to financial constraints except for lab equipment associated with bio-terrorism readiness; one unrepairable copier; one computer server; and a replacement embossing machine for maternal.
Transfers	261,956	Anticipated increase in lease payments.
	209,543	GASB 34 Accounting Change (EHAP).
	52,138	Increase in HSS administrative support.
	(21,976)	Minor reduction in interagency agreements.
	<u>501,661</u>	
Reimbursements	2,262,951	MOU reduction with HSS for the Yough Self-Sufficiency Program.
	800,000	MOU reduction with HSS for the STOP Program (a family violence prevention program).
	307,000	MOU reduction with TAD for "Let's Talk" & "Family Planning Access" Programs.
	1,343,627	MOU reduction with HSS for the Personal Care Services Program.
	615,400	MOU reduction for CalWORKIS services.
	(121,005)	Other minor changes spread over many programs.
	<u>5,207,973</u>	
Total Appropriation	<u>(7,192,098)</u>	
Revenue		
License & Permits	(154,769)	Minor reduction in estimated licenses and permits revenue.
	410,017	Final budget adjustment: fee increase to fund 6.0 positions and increased rent.
	<u>255,248</u>	
Fines and Forfeitures	5,000	Minor estimated increase in fines and forfeitures.
Current Services	(3,585,392)	Elimination of the Children and Families Commission "Early Steps" grant.
	(715,600)	Elimination of the "Earlier the Better" grant from CSUSB.
	(234,334)	Other minor changes spread over many programs.
	<u>(4,535,326)</u>	
State, Fed or Gov't Aid	(4,776,144)	When targets are set, expense changes are expected to be funded by increased state and federal revenue. This entry backs out those assumptions and is replaced by the detail of what actually happened in the lines below.
	(949,043)	Bio-terrorism is now budgeted in operating transfer in due to GASB 34.
	(261,000)	Cancelled Child Health clinical services as a result of state funding change.
	(1,301,560)	Reduction in state Maternal & Child Health funding (MCH).
	800,000	New federal SPRANS grant for abstinence education.
	1,804,200	Targeted case management increases as programs shift the cancelled MOUs with HSS to alternate funding streams.
	(92,931)	Other minor changes spread over many programs.
	(158,501)	Final budget adjustment: reduce funding for 5.5 vacant deleted positions.
	<u>(4,934,979)</u>	
Other Revenue	(127,010)	Minor revenue changes spread over many programs.
Total Revenue	<u>(9,337,067)</u>	
Operating Transfers In	949,043	Bio-terrorism previously budgeted as revenue.
	1,195,926	Increased bio-terrorism funding over current year.
	<u>2,144,969</u>	
Total Financing Sources	<u>(7,192,098)</u>	
Local Cost	-	

**BUDGET UNIT: CALIFORNIA CHILDREN'S SERVICES (AAA CCS)**

**I. GENERAL PROGRAM STATEMENT**

California Children's Services (CCS) is a state program that provides case management, diagnosis, and treatment services to individuals up to 21 years of age with severe qualifying medical conditions and whose families are unable to pay for all or part of their care. State law requires the county to maintain a mandated minimum county funding level. In addition to state realignment dollars and the county's mandated contribution, funding also comes from Medi-Cal, private insurance, and patient co-payments. Revenues are based upon individual client eligibility for specific programs such as Medi-Cal, Healthy Families, or CCS alone (people who do not qualify for other programs or cannot afford to pay their Medi-Cal co-share payments.)

The revenue breakdown among federal, state, realignment, and county general fund support depends on the type of services provided under this program. This program provides two type of services:

- 1) Administrative component – Case management activities which include determining program eligibility, evaluating needs for specific services, determining the appropriate providers, and authorizing/paying for medically necessary care.
  - a) Administrative funding is based on staffing standards and caseload mix of CCS clients. In other words, it depends on which Federal, State, or County program in which the children are enrolled. Currently, our caseload is comprised of the following:
    - i) Medi-Cal accounts for approximately 84.56%. This federal and state program reimburses the county for 100% of the costs associated with these services.
    - ii) Healthy Families accounts for approximately 10%. This federal and state program reimburses the county for 82.5% of the costs. The remaining 17.5% is equally funded by Social Services Realignment (8.75%) and general fund support (8.75%).
    - iii) CCS or Non-Medi-Cal caseload accounts for approximately 5.44%. Federal and state funds account for 50% of the costs associated with treating this clientele. The other 50% is equally funded by Social Services Realignment (25%) and general fund support (25%).
  - b) Two of the workload indicators presented in this budget reflect the administrative component: Cases managed and claims processed.
- 2) Medical Therapy component – Provides physical therapy, occupational therapy, and Medical Therapy Conference services. Licensed physical therapists and certified occupational therapists provide evaluation, treatment, consultation services and case management.
  - a) The State reimburses the county for 50% of the costs incurred by this program. The remaining 50% is equally funded by realignment and general fund support. In addition, the program is able to bill Medi-Cal for therapy staff hours at the medical reimbursement rate. This means that the physical therapist and occupational therapist time provided to Medi-Cal clients can be almost fully reimbursed by Medi-Cal. Currently, county employees are paid at \$32.86 per hour plus benefits and the county is reimbursed at a minimum rate of \$34.08 per hour.
  - b) It is estimated that approximately 70% of the therapy units (24,500 or 12,250 hours) will be provided during 2003-04 to Medi-Cal clients.

The budgeted local cost amount reflects the County's mandated share of costs for serving anticipated caseloads. Should actual caseloads fall short of projections, unused local funds would return to the County's year-end fund balance. Similarly, Realignment funds will be transferred to correspond with actual caseloads at the end of the year.

## PUBLIC HEALTH

### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	5,915,099	10,716,023	8,076,824	10,723,433
Total Revenue	4,630,286	9,177,982	6,638,257	9,185,392
Local Cost	1,284,813	1,538,041	1,438,567	1,538,041
Budgeted Staffing		154.3		145.0
<b><u>Workload Indicators</u></b>				
Cases Managed	-	10,900	10,091	11,000
Claims Processed	-	120,000	131,188	133,900
Therapy Units (old methodology)	-	124,000	-	-
Therapy Units (new methodology)	-	35,000	29,898	36,050

Actual expenses and revenues are significantly lower than budgeted because CCS does not have enough space to hire all of the staff. Negotiations on new space are currently underway but a move is not expected until after the end of the fiscal year. The program continues to experience difficulty filling nursing and physical therapy vacancies.

The Therapy Unit workload indicator has undergone a significant methodology change. As the 2002-03 county budget was being developed, the State was changing its CCS automated system. As a result, the Department could not extrapolate complete data for 2001-02. For the 2003-04 budget, the Department has revised this workload indicator to reflect therapy provided in 30-minute increments. To provide continuity in annual workload indicators, 2002-03 measurements of Therapy Units delivered were recalculated so they could be presented in the same manner as projected 2003-04 workloads.

### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

#### **STAFFING CHANGES**

Budgeted staffing is decreasing by 9.3 positions overall due to some minor changes in staffing mix which decreased staffing by 0.2 positions as described below and to reflect long term vacancies occurred upon departure of 9.1 existing staff. Vacancies are expected to increase because greater restrictions upon County hiring processes result in longer periods of vacancy after an employee leaves a position. The other staffing mix changes include the addition of 3.0 Financial Interviewers, 1.0 Physical Therapist, 1.0 Medical Transcriber, and 0.5 of a Fiscal Clerk II. Reductions include 2.0 Therapy Assistants and 2.0 Registered Nurses II. The Registered Nurses classification no longer meets the state's service delivery requirements. Additionally, 1.7 of the reduction is a result of an accounting change. Those positions are in the Public Health budget and are now reflected in this budget as transfers.

#### **PROGRAM CHANGES**

Costs for services and supplies are lower due to reduced computers and equipment purchases needed for 2003-04. Budgeted costs have also decreased for EHAP and rent expense due to an accounting change. Transfers represent staff time purchased from Public Health, as mentioned in the Staffing Changes section above and an accounting change for EHAP and rent expense related to GASB 34. State revenue is expected to remain constant into 2003-04.

# PUBLIC HEALTH

GROUP: Human Services System  
DEPARTMENT: Public Health - California Children's Services  
FUND: General AAA CCS

FUNCTION: Health & Sanitation  
ACTIVITY: Hospital Care

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b>Appropriation</b>					
Salaries and Benefits	6,507,610	9,064,394	9,697,655	(630,202)	9,067,453
Services and Supplies	1,413,741	1,417,719	1,431,215	(320,915)	1,110,300
Equipment	-	18,000	18,000	-	18,000
Transfers	155,473	215,910	222,352	305,328	527,680
Total Appropriation	8,076,824	10,716,023	11,369,222	(645,789)	10,723,433
<b>Revenue</b>					
Current Services	27,414	12,800	12,800	6,600	19,400
State, Fed or Gov't Aid	5,172,702	7,626,891	8,279,840	(652,149)	7,627,691
Other Revenue	100	250	500	(240)	260
Realignment	1,438,041	1,538,041	1,538,041	-	1,538,041
Total Revenue	6,638,257	9,177,982	9,831,181	(645,789)	9,185,392
Local Cost	1,438,567	1,538,041	1,538,041	-	1,538,041
Budgeted Staffing		154.3	154.3	(9.3)	145.0

## Total Changes Included in Board Approved Base Budget

Salaries and Benefits	186,641	MOU.
	349,954	Retirement.
	96,666	Risk Management Workers' Comp.
	633,261	
Services and Supplies	13,496	Risk Management Liabilities.
Transfers	6,442	Incremental Change in EHAP.
<b>Revenue</b>		
State, Fed or Gov't Aid	653,199	
Total Appropriation Change	653,199	
Total Revenue Change	653,199	
Total Local Cost Change	-	
Total 2002-03 Appropriation	10,716,023	
Total 2002-03 Revenue	9,177,982	
Total 2002-03 Local Cost	1,538,041	
Total Base Budget Appropriation	11,369,222	
Total Base Budget Revenue	9,831,181	
Total Base Budget Local Cost	1,538,041	

## PUBLIC HEALTH

### Board Approved Changes to Base Budget

Salaries and Benefits	(555,182)	Primarily resulting from increased vacancy factor.
	(75,020)	GASB 34 Accounting Change - PHL staff support now budgeted in transfers.
	<u>(630,202)</u>	
Services and Supplies	(20,310)	GASB 34 Accounting Change (EHAP).
	(118,000)	Reduced computer and equipment expenditures that were needed for staffing expansion in 2002-03.
	(200,900)	GASB 34 Accounting Change - Rent now budgeted in transfers.
	18,295	Other minor miscellaneous increases.
	<u>(320,915)</u>	
Transfers	75,018	GASB 34 Accounting Change related to Public Health support staff.
	20,310	GASB 34 Accounting Change (EHAP).
	210,000	GASB 34 Accounting Change - Rent previously budgeted in services and supplies.
	<u>305,328</u>	
Total Appropriation	<u>(645,789)</u>	
Revenue		
Current Services	<u>6,600</u>	
State, Fed or Gov'd Aid	(653,199)	When targets are set, expenses changes are expected to be funded by increased state revenue. This entry backs out those assumptions and is replaced by the detail of what actually happened in the lines below.
	1,050	
	<u>(652,149)</u>	
Other Revenue	<u>(240)</u>	
Total Revenue	<u>(645,789)</u>	
Local Cost	<u>-</u>	



## PUBLIC HEALTH

### BUDGET UNIT: INDIGENT AMBULANCE (AAA EMC)

#### I. GENERAL PROGRAM STATEMENT

This budget provides financing for those ambulance contractors who transport indigents to the Arrowhead Regional Medical Center, or the closest hospital, under certain life-threatening situations. It also funds transport of indigent tuberculosis patients to Riverside County Hospital for treatment, and up to the extent of available appropriations, pays for the Sheriff's Department transport of indigent inmates (with the remainder paid directly by the Sheriff's Department). The appropriations in this budget unit are maintained at a constant level. There is no staffing associated with this budget unit.

#### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	472,501	472,501	472,501	472,501
Local Cost	472,501	472,501	472,501	472,501

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET

##### PROGRAM CHANGES

None.

GROUP: Human Services System  
DEPARTMENT: Public Health - Indigent Ambulance  
FUND: General AAA EMC

FUNCTION: Health & Sanitation  
ACTIVITY: Hospital Care

	<b>2002-03 Actuals</b>	<b>2002-03 Approved Budget</b>	<b>2003-04 Board Approved Base Budget</b>	<b>2003-04 Board Approved Changes to Base Budget</b>	<b>2003-04 Final Budget</b>
<b><u>Appropriation</u></b>					
Services and Supplies	472,501	472,501	472,501	-	472,501
Total Appropriation	472,501	472,501	472,501	-	472,501
Local Cost	472,501	472,501	472,501	-	472,501

## PUBLIC HEALTH

### BUDGET UNIT: CAJON PASS ILLEGAL DUMPING CLEAN-UP (RPH PHL)

#### I. GENERAL PROGRAM STATEMENT

In December 1998, a fire occurred in Cajon Pass as a result of illegal dumping of an estimated 100,000 tons of solid waste. Approximately 40 haulers and contractors have been identified as the parties responsible for the illegal dumping. This special revenue fund, established and managed by the Department of Public Health, Division of Environmental Health, will be used to account for the settlement contributions of the small haulers and the \$750,000 grant from the California Integrated Waste Management Board (CIWMB) and the expenditures associated with the clean-up effort for the illegal dump in Cajon Pass. The State requires a 10% holdback of funds until the project is completed.

The total estimated cost to clean up the site is \$2,800,000. As a result of the settlement agreement among those identified as haulers, the county and the CIWMB, the CIWMB will contribute \$750,000 and the large haulers will pay the balance of the clean-up cost less the contributions received from the small haulers. CIWMB will cover the cost associated with recycling of green waste and concrete, tipping fees, initial re-vegetation, and other costs as identified in the settlement agreement. There is no staffing associated with this budget unit.

#### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	437,056	103,798	-	112,359
Total Revenue	14,394	81,000	6,474	81,800
Fund Balance		22,798		30,559

Actual expenses and revenues for re-vegetation will not occur until the work is completed in 2003-04, as such, financial activity for 2002-03 was minimal.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

##### PROGRAM CHANGES

The clean up of the illegally dumped material has been completed. Re-vegetation of the affected area is the only remaining activity. That activity was anticipated to be completed in 2002-03; however, it is now expected to continue into 2003-04. State reimbursement for re-vegetation will occur once this activity is complete.

<b>GROUP: Human Services System</b>			<b>FUNCTION: Public Protection</b>		
<b>DEPARTMENT: Public Health - Cajon Pass</b>			<b>ACTIVITY: Other Protection</b>		
<b>FUND: Special Revenue RPH PHL</b>					
	<b>2002-03 Actuals</b>	<b>2002-03 Approved Budget</b>	<b>2003-04 Board Approved Base Budget</b>	<b>2003-04 Board Approved Changes to Base Budget</b>	<b>2003-04 Final Budget</b>
<b><u>Appropriation</u></b>					
Services and Supplies	-	103,798	103,798	8,561	112,359
Total Appropriation	-	103,798	103,798	8,561	112,359
<b><u>Revenue</u></b>					
Fines & Forfeitures	5,692	6,000	6,000	800	6,800
State, Fed or Gov't Aid	782	75,000	75,000	-	75,000
Total Revenue	6,474	81,000	81,000	800	81,800
Fund Balance		22,798	22,798	7,761	30,559

## PUBLIC HEALTH

### Board Approved Changes to Base Budget

Services and Supplies	<u>8,561</u>	We anticipate expending all revenues on site rehabilitation. This increase represents a small increase in revenues available for site rehabilitation.
Total Appropriation	<u>8,561</u>	
Revenue		
Fines and Forfeitures	<u>800</u>	Fines and forfeitures from small haulers are expected to increase slightly.
Total Revenue	<u>800</u>	
Fund Balance	<u>7,761</u>	

## OVERVIEW OF BUDGET

DEPARTMENT: VETERANS AFFAIRS  
DIRECTOR: BILL J. MOSELEY  
BUDGET UNIT: AAA VAF

### I. GENERAL PROGRAM STATEMENT

According to the Secretary of the U.S. Department of Veterans Affairs, approximately one out of three people in the United States are potential V.A. beneficiaries. In San Bernardino County, this means approximately 575,000 veterans, their dependents and survivors will become recipients of veteran's benefits. Veteran's Affairs provides information and assistance to residents in filing claims for benefits and services to which they may be entitled from federal or state governments. These benefits include medical care, insurance, home loans, pension benefits, disability compensation, education, and vocational rehabilitation.

### II. BUDGET & WORKLOAD HISTORY

	<u>Actual</u> <u>2001-02</u>	<u>Budget</u> <u>2002-03</u>	<u>Actual</u> <u>2002-03</u>	<u>Budget</u> <u>2003-04</u>
Total Appropriation	1,013,465	1,108,218	1,099,563	1,130,068
Total Revenue	274,310	264,000	270,539	257,018
Local Cost	739,155	844,218	829,024	873,050
Budgeted Staffing		19.0		17.0
<b><u>Workload Indicators</u></b>				
Subvention Claims Filed	5,834	6,000	4,469	5,500
New Annual Monetary Amounts	\$9,750,000	\$7,750,000	\$8,700,000	\$8,000,000
Average Annual Award	\$1,671	\$1,100	\$1,709	\$1,400

The small variance between 2002-03 budget and actual expenditures was due to a savings in salaries & benefits from the Executive Secretary II, budgeted full-time, working only part-time. The small variance between 2002-03 budget and actual revenue was due to an increase in revenue received from the state as a result of the department's increase in workload units performed. -

The variance between 2002-03 budget and actual in all workload indicators is due to fewer claims submitted but with larger monetary amounts being awarded to the clients. As a result, Subvention Claims Filed decreased and New Annual Monetary Amounts and Average Annual Awards increased.

### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

#### **STAFFING CHANGES**

Budgeted staffing decreased by 2.0 positions.

Due to reductions made to the department's local cost as part of the 4% and 30% reduction plans, and new and/or increased costs in Human Services Systems (HSS) administrative and Information Technology Services Department (ITSD), it will be necessary to eliminate 1.0 budgeted Clerk II.

Additionally, 1.0 Veteran Services Representative has been out on leave since December 2002, and is not expected to return to work. Therefore, in 2003-04 the department did not budget for this position and will not fill it if it becomes vacant.

#### **PROGRAM CHANGES**

As previously mentioned, reductions made to the department's local cost as part of the 4% and 30% reduction plans, and new and/or increased costs in HSS administrative and IT support have made it necessary to reduce the department's costs in other areas. Therefore, the Ontario office will be relocated to a County-owned facility.

# VETERANS AFFAIRS

GROUP: Human Services System  
DEPARTMENT: Veterans Affairs  
FUND: General AAA VAF

FUNCTION: Public Assistance  
ACTIVITY: Veterans Services

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b>Appropriation</b>					
Salaries and Benefits	892,095	934,395	971,636	(32,808)	938,828
Services and Supplies	148,079	108,116	102,617	10,159	112,776
Central Computer	13,023	13,023	10,533	-	10,533
Other Charges	1,319	1,800	1,800	(1,000)	800
Equipment	5,002	5,000	5,000	1,000	6,000
Transfers	40,045	45,884	45,464	15,667	61,131
Total Appropriation	1,099,563	1,108,218	1,137,050	(6,982)	1,130,068
<b>Revenue</b>					
State, Fed or Gov't Aid	270,539	264,000	264,000	(6,982)	257,018
Total Revenue	270,539	264,000	264,000	(6,982)	257,018
Local Cost	829,024	844,218	873,050	-	873,050
Budgeted Staffing		19.0	18.0	(1.0)	17.0
<b>Total Changes Included in Board Approved Base Budget</b>					
Salaries and Benefits		(33,769)	4% Spend Down Plan - delete 1.0 Clerk II.		
		23,739	MOU.		
		46,187	Retirement.		
		1,084	Risk Management Workers' Comp.		
		37,241			
Services and Supplies		(6,997)	30% Cost Reduction Plan.		
		1,498	Risk Management Liabilities.		
		(5,499)			
Central Computer		(2,490)			
Transfers		(420)	Increment Change in EHAP.		
Total Appropriation Change		28,832			
Total Revenue Change		-			
Total Local Cost Change		28,832			
Total 2002-03 Appropriation		1,108,218			
Total 2002-03 Revenue		264,000			
Total 2002-03 Local Cost		844,218			
Total Base Budget Appropriation		1,137,050			
Total Base Budget Revenue		264,000			
Total Base Budget Local Cost		873,050			

## VETERANS AFFAIRS

Board Approved Changes to Base budget		
Salaries and Benefits	<u>(32,808)</u>	Defund 1.0 Veteran Services Representative.
Services and Supplies	<u>10,159</u>	Miscellaneous increases to services and supplies.
Transfers	<u>15,667</u>	Increased HSS Admin. Support charges, HR charges, and the additional ITSD service charge. Eliminated Ontario lease (\$15,649).
Total Appropriation	<u>(6,982)</u>	
Total Revenue	<u>(6,982)</u>	Anticipated decrease in revenue due to increased state administrative costs charged.
Local Cost	<u>-</u>	

## OVERVIEW OF BUDGET

### BUDGET UNIT: REALIGNMENT (AAC, AAD, AAE)

	2003-04					
	Estimated Beginning Fund Balance	Budgeted Revenue	Budgeted Departmental Usage	Budgeted 10% Transfers	Estimated Ending Fund Balance	Estimated Change in Fund Balance
Mental Health	25,433,662	55,201,458	67,192,114	(5,337,670)	8,105,336	(17,328,326)
Social Services	16,447,227	59,742,774	78,837,115	5,337,670	2,690,556	(13,756,671)
Health	34,730,659	55,690,960	54,768,121		35,653,498	922,839
Total	76,611,548	170,635,192	200,797,350	-	46,449,390	(30,162,158)

## I. GENERAL PROGRAM STATEMENT

This budget is being presented for the first time in the budget book. At the end of the 2001-02 year it was converted from a trust fund to a restricted general fund. The format for this section varies from other budget units to help with presentation of information. The Realignment budgets do not directly spend funds or provide service. They are strictly financing budgets with the actual expenditures occurring within the operating budget units of the departments that receive Realignment revenue.

In 1991 the state shifted responsibility for a number of mental health, social services, and health programs to counties. This shift, known as Realignment, resulted in the creation of two dedicated funding streams to pay for the shifted services: a ½ cent Sales Tax and a change in the depreciation schedule for vehicles which resulted in a 24.33% increase in Vehicle License Fee (VLF) revenues. Each of the three service areas identified were required to have their own separate accounts established and each of those service areas receive a different share of statewide Realignment revenues.

Within the mental health area, the programs for which the county is now responsible for are: community-based mental health programs, State Hospital services for county patients, and Institutions for Mental Disease. Within the social services area, the programs for which the county is now responsible for are: the county revenue stabilization program and the county justice subvention program. Within the health area, the programs for which the county is now responsible for are: AB8 county health services, local health services, medically indigent services, and the county medical services program.

In addition to these program responsibility shifts, a number of programs had changes made to their cost sharing ratios. Social services had a number of programs involved in sharing ratio changes (numbers are shown in percentages in the order of state/county shares of cost): foster care from 95/5 to 40/60, child welfare services from 76/24 to 70/30, In Home Supportive Services (IHSS) from 97/3 to 65/35, county services block grant from 84/16 to 70/30, adoption assistance from 100/0 to 75/25, Greater Avenues for Independence from 100/0 to 70/30, CalWorks from 89/11 to 95/5, and administration from 50/50 to 70/30. Within health, the California Children's Services program cost share shifted from 75% state/25% county to 50/50.

The Realignment program has some flaws in its design that adversely impact County of San Bernardino revenues. First is San Bernardino's status as an "under equity county," meaning that the county receives a lesser share of revenue relative to other counties based on population and estimated poverty population. Revenue distributions among counties were determined by expenditures in the programs that were transferred just prior to the adoption of Realignment. San Bernardino County was under equity in those programs. Realignment did attempt to address the inequity issue, but the effort fell short and the county continues to be under equity to date. The problem of being under equity is that it exacerbates itself over time. As growth occurs in the revenue streams, that incremental new funding is distributed on existing sharing arrangements between the counties. The counties that are already over equity get a higher percentage of the new revenue while those that are under equity get less.

## REALIGNMENT

In addition to the under equity issue is the fact that the demand for the services we are providing and the revenue streams funding them are both sensitive to the economy. When the economy is doing well, demand for services is reduced and revenues are high. When the economy does poorly, demand for services is high, but revenues under perform. During the recent good years, the realignment funds recovered from earlier difficulties and built up an available fund balance. Beginning in the 2002-03 year, those fund balances began to be depleted as revenues shrank, demand for services increased, and expenses increased.

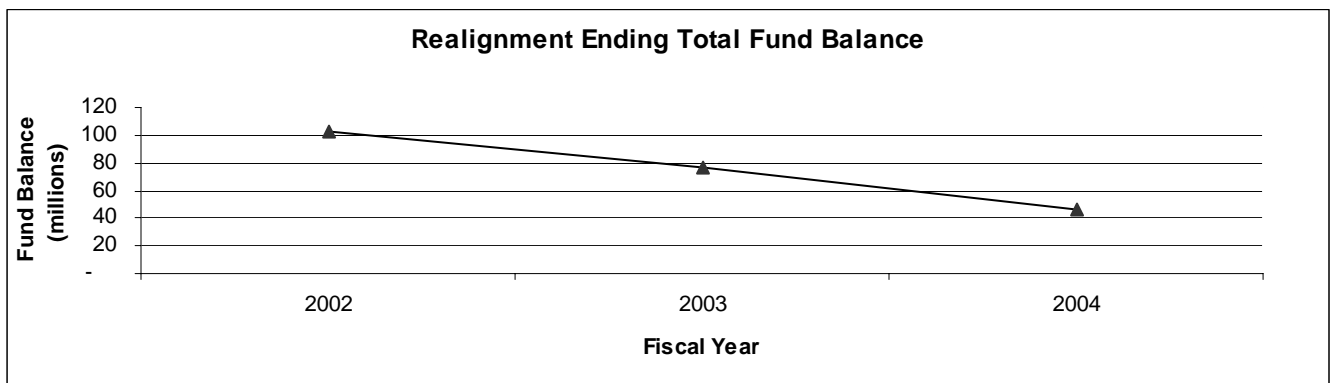
The state anticipated that some of the problems with Realignment could result in litigation or unfunded mandate claims. As a result the legislation contained three poison pill provisions that would make certain provisions of Realignment inoperative. The three poison pills that could nullify Realignment, or portions of it, are: (1) a county successfully filing an unfunded mandate claim with respect to realigned programs, (2) constitutional challenges regarding Realignment's treatment of VLF revenues (which are constitutionally protected as local government revenue) or a finding that exclusion of Realignment revenue from Proposition 98 education funding calculations is unconstitutional, and (3) an appellate court determination that 1982 legislation shifting responsibility for medically indigent adults to counties is reimbursable as an unfunded mandate.

The realignment legislation does allow for some flexibility in usage of funds at the county level. Upon action by the Board of Supervisors, a county can transfer 10% of a given years revenue from one fund to another. San Bernardino County has used the provision repeatedly over the years to help support either the health or social services programs. In the chart above there is a budgeted transfer for the 2003-04 year noted in the "Budgeted 10% Transfers" column. Any such transfer would have to come before the Board of Supervisors for approval before taking place.

## II. BUDGET HISTORY

Total - All Realignment Funds				
	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Beginning Fund Balance	72,906,036	102,089,307	102,089,307	76,611,548
Revenue	165,126,275	178,755,312	166,531,844	170,635,192
Department Usage	135,943,004	184,385,696	192,009,603	200,797,350
Ending Fund Balance	102,089,307	96,458,923	76,611,548	46,449,390
Change in Fund Balance	29,183,271	(5,630,384)	(25,477,759)	(30,162,158)

Available Fund Balance, as seen in the graph below, in the Realignment funds peaked at the end of the 2001-02 year as the county benefited from a large growth distribution attributable to the 2000-01 increase in sales taxes and vehicle license fees. Departmental Usage increases and revenue stagnation have resulted in an increasing use of one-time funds to pay for ongoing costs. Based on current projections, both Mental Health and Health will run out of available fund balance as a financing source in the 2004-05 fiscal year.



Of note in this graph is that the fund balance ending 2003-04 at the far right is 76% Health fund balance; the other two funds are nearly out of cash to begin the 2004-05 budget cycle.



## REALIGNMENT

In 2002-03, estimated revenues are projected to under perform budget due to declining sales tax revenues resulting in no sales tax growth distribution from 2001-02 and a reduced base revenue amount for 2002-03. Base revenue is calculated by adding prior year base and prior year growth. Since there was actually a shortfall in 2001-02, the 2002-03 base is reduced. VLF growth has also slowed significantly, dropping from a peak of \$9.7 million in 2000 to an estimated \$1.4 million in 2002-03.

The decline in sales tax revenues is an important factor in the stability of the realignment funds going forward. Caseload and cost increases for programs within social services get the first priority when distributing sales tax growth revenue because they are mandated programs for which service must be provided. Since sales tax is down, there is no growth money to pay for the increasing cost of these programs. It is anticipated that in 2004-05 the increased costs in some of the social services programs will require additional county general fund financing.

### III. HIGHLIGHTS OF CHANGES WITHIN THE INDIVIDUAL REALIGNMENT FUNDS

Within the sections below, trends within the individual realignment fund categories of Mental Health, Social Services, and Health will be reviewed. These realignment budgets provide financing and not direct service. As such, the focus will be on broad expense and revenue trends. For more detailed information regarding departmental usage of realignment funds as it relates to programs and service delivery, please consult the appropriate departmental budget unit.

#### MENTAL HEALTH

Mental Health				
	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Beginning Fund Balance	32,301,976	47,202,385	47,202,385	25,433,662
Revenue	53,845,346	54,496,540	54,532,402	55,201,458
Departmental Usage	33,744,678	62,912,489	71,032,161	67,192,114
10% Transfers	(5,200,259)	(5,265,378)	(5,268,964)	(5,337,670)
Ending Fund Balance	47,202,385	33,521,058	25,433,662	8,105,336
Change in Fund Balance	14,900,409	(13,681,327)	(21,768,723)	(17,328,326)

The Mental Health Realignment fund revenue is composed approximately 2/3 sales tax and 1/3 vehicle license fee. Continued strength in VLF has helped offset some of the declines in sales tax within the Mental Health fund, however, program cuts by the State and significantly increasing costs of salaries and benefits have resulted in climbing departmental use of realignment funds. The actual departmental use shown in the chart above for 2001-02 is skewed lower by about \$11.0 million due to a one-time recognition of revenue within Behavioral Health as a result of GASB accounting rule changes at the end of 2001-02. Given that adjustment projected realignment use by Behavioral Health has still climbed substantially and can not be continued at this pace. In 2004-05, Behavioral Health will be faced with significant budget cuts or will require additional general fund financing to bring ongoing expenditures in line with ongoing revenues.

Breakdown of Departmental Usage of Mental Health Realignment				
	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Behavioral Health	33,519,394	62,636,215	70,716,893	66,873,463
Health Care Costs	225,284	276,274	315,268	318,651
Total Departmental Usage	33,744,678	62,912,489	71,032,161	67,192,114

## REALIGNMENT

### SOCIAL SERVICES

Social Services				
	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Beginning Fund Balance	23,095,211	27,287,820	27,287,820	16,447,227
Revenue	56,768,765	67,288,306	56,897,880	59,742,774
Departmental Usage	57,776,415	69,725,246	73,007,437	78,837,115
10% Transfers	5,200,259	5,265,378	5,268,964	5,337,670
Ending Fund Balance	27,287,820	30,116,258	16,447,227	2,690,556
Change in Fund Balance	4,192,609	2,828,438	(10,840,593)	(13,756,671)

Revenues for Social Services are primarily (96%) sales tax with minimal VLF. As a result of this dependence on sales tax, the social services revenues have been particularly hard hit by the poor performance of statewide sales tax collection. This unstable revenue source combined with rising demand for services and significant cost increases has caused a quick decline in the Social Services Realignment fund balance. It is probable that in the 2004-05 year the social services programs will require substantial additional general fund support.

Cost increases within social services are a result of climbing caseloads and increased expenditure. Expenditure increases include salary and benefit increases for employees as well as salary and benefit increases for IHSS workers.

Breakdown of Departmental Usage of Social Services Realignment				
	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Social Services Programs*	50,208,391	61,903,994	65,336,185	71,015,863
California Childrens Services	1,284,813	1,538,041	1,388,041	1,538,041
Probation	4,484,211	4,484,211	4,484,211	4,484,211
County General Fund	1,799,000	1,799,000	1,799,000	1,799,000
Total Departmental Usage	57,776,415	69,725,246	73,007,437	78,837,115

\*Soc. Svcs. Programs include: IHSS, Foster Care, Seriously Emotionally Disturbed, and Administrative Claim Matches

### HEALTH

Health				
	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Beginning Fund Balance	17,508,849	27,599,102	27,599,102	34,730,659
Revenue	54,512,164	56,970,466	55,101,562	55,690,960
Departmental Usage	44,421,911	51,747,961	47,970,005	54,768,121
10% Transfers	-	-	-	-
Ending Fund Balance	27,599,102	32,821,607	34,730,659	35,653,498
Change in Fund Balance	10,090,253	5,222,505	7,131,557	922,839

Health Realignment is funded approximately 1/3 sales tax and 2/3 VLF. As a result it had greater revenue stability over the last two years as the other funds have been troubled by the downturn in sales tax. Within Health, departmental expenses have been brought into line with ongoing revenues by not providing realignment increases to pay for rising salary and benefit costs. By holding realignment to ARMC and Public Health flat, they have effectively experienced a budget cut due to inflation and the rising costs associated with salaries and benefits. The slight increase in 2003-04 for Public Health reflects of backfill of lost SB90 revenue from the state and is not a true increase.

## REALIGNMENT

The other programs funded from Health realignment are Medically Indigent Adult (MIA) Payments and Health Care Costs. The MIA budget funds payments to non-county hospitals for treatment of MIA patients. The Health Care Costs budget unit helps pay for the ARMC Lease Payment and the increase in budget for this unit represents greater realignment support for this expense.

The Health Realignment Fund is currently in the best fiscal shape of the three realignment funds. This is primarily the result of the lack of direct impact of state budget cuts on Health overall. Going forward this is not anticipated to continue and given the size of some of the potential cuts to the hospital it is foreseeable that this fund too will experience a significantly declining fund balance in the near future.

<b>Breakdown of Departmental Usage of Health Realignment</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>2001-02</b>	<b>2002-03</b>	<b>2002-03</b>	<b>2003-04</b>
Arrowhead Regional Medical Cntr	28,884,540	28,000,000	28,000,000	28,000,000
Medically Indigent Adult Payments	-	2,550,000	1,587,046	2,550,000
Public Health	10,992,823	13,574,089	13,458,179	13,908,689
Health Care Costs	4,544,548	7,623,872	4,924,780	10,309,432
Total Departmental Usage	44,421,911	51,747,961	47,970,005	54,768,121

Budgetary Note: Financial information presented in this Realignment budget section is consistent with state reporting requirements for the Realignment funds. The state's reporting requirements are not consistent with the county's implementation of GASB 34 as it relates to revenue accrual. As such, within the county's accounting system, an adjustment will be made to show the correct revenues in accordance with the county's accrual procedures. This is a revenue timing issue only as a result of delays by the state in distributing growth revenue.